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PLANNING FOR THE INTERORGANIZATIONAL
NETWORKING OF A STATE ECONOMIC DEVELOPMENT COUNCIL

A Project Sponsored by
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QUARTERLY PROGRESS REPORT

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Summary

The objective of the project is to facilitate and improve the cooperative interaction of members of the Economic Development Council of Georgia in the accomplishment of the duties of the Council. A collateral objective of the project is to provide the Economic Development Administration an information base upon which determinations can be made relative to the need for additional applied research to improve communications and organizational networking for processes and programs involved in economic development. The purpose of this report is to describe project activities undertaken during the reporting period and the results of those activities. The report consists of two major parts.

Part 1, "Council Activities," outlines the work undertaken by the Council during its formative period. This part of the report highlights an approach to strategic economic issues. It also describes coordinative approaches the Council is currently taking to attain its goals. The usefulness of this EDA-sponsored project will depend in great measure upon the development and progress of the Council; thus, a close and continuing monitoring of its operations is essential to achieving the objective set for the project. The substance of Part 1 is a digest of papers prepared by Council Executive Director, Arthur Sterngold, under the direction of Lieutenant Governor Zell Miller, Council Chairman, and Gene Dyson, Council Vice Chairman.

Part 2, "Project Progress," reports project activities undertaken during the period and project results to date. Essentially, the project is on schedule, with project operations being closely coordinated with Council activities. Liaison also is maintained with Pussell Caldwell and Robert Cassell who are conducting related EDA projects.

Project start-up operations were successfully completed, and the investigative phase is well underway. Care is being exercised to coordinate project activities closely with Council progress so that an undue burden will not be placed on the Council's staff. As indicated in the body of the report, data and information concerning member organizations have been collected and subjected to preliminary analysis. As an initial point in the investigation,

an organization profile is being compiled for each member organization. Each profile will be verified for accuracy during the second quarter.

Project methodology, data gathering and statistical analysis procedures have been considered during the reporting period, and the investigative period will be continued during the second quarter.

Finally, it is important to note that Council executives and members appear to understand the nature and objective of this project and have been most cooperative in assisting in project operations.

PLANNING FOR THE INTERORGANIZATIONAL
NETWORKING OF A STATE ECONOMIC DEVELOPMENT COUNCIL

Part 1
COUNCIL ACTIVITIES

Background

An official recommendation to establish an Economic Development Council of Georgia was made by a special Subcommittee on Economic Growth and Development of the Georgia House of Representatives in its final report of November 21, 1975. That Subcommittee met extensively throughout Georgia in 1975 to hear public testimony concerning problems and opportunities of economic development in Georgia. Through these hearings, the Subcommittee identified four major needs that were not being met by the state's existing economic development establishment:

- o There was insufficient coordination of economic development programs at the state and local levels and between the public and private sectors. The subcommittee concluded: "Another characteristic of the present programs is that they are operated on a highly individualistic basis by the organizational units with some duplication and no coordination for overall strategy, program or direction. No office or organization is responsible for coordinating public economic development activities in our state;"
- o Economic development policies and practices were not sufficiently responsive to changing economic conditions and trends. "The subcommittee found in discussions with many of these organizations that the activities they are now conducting and intend to undertake in the future are the same as those they have pursued in the past. In other words, though economic conditions and competitors have changed, many intend to carry on a 'business as usual' basis." The Subcommittee expressed "grave reservation that the development programs that were successful in the boom of the 1960's and early 1970's will prove equally successful in the changed conditions of the late 1970's;"
- o There was a lack of common priorities among the numerous economic development programs in Georgia, resulting in too much diffusion of resources and efforts. In testimony to the Subcommittee, one official

- stated that a "problem is the question of the allocation of limited resources among the state practitioners of economic development and the evaluation of that allocations effectiveness;" and
- o There was inadequate research and analysis of economic conditions and trends in Georgia, preventing development practitioners from focusing their marketing efforts on specific targets that could produce the greatest benefits. The Subcommittee found that "targeted research on 'best bets' for industrial and business location and expansion for Georgia is rare, especially in recent years."

Although these problems had been recognized by lawmakers for several years, the economic recession of 1974-75 helped focus the General Assembly's attention on the need for a coordinating vehicle to solve them. Such a body would have to be a cooperative effort of the private and public sectors and of state, sub-state area, county, and municipal levels of government. The Subcommittee concluded that: "Coordination of the state's public and private economic development activities is nonexistent. A vehicle for accomplishing this effort is vital to our future efforts. Creation of an Economic Development Council, headed by the Lieutenant Governor, would be one method of accomplishing this task."

The Economic Development Council of Georgia was subsequently established by legislation proposed at the 1976 session of the General Assemble. Its overriding legislative mandate is to formulate comprehensive policy to encourage economic development in Georgia.

Section II: It shall be the duty of the council created by this act to encourage economic development within the State of Georgia. The council shall develop a policy of the state which will embody carefully ascertained economic growth and development objectives. Such objectives shall include provision for employment opportunities for all citizens in growth industries within the state, production of investment incentives, development of necessary state-wide and local transportation, communication, education, housing, health services, and recreation needs; and methods, programs or means for the optimum utilization of human, natural and capital resources of the state.

The Council's organizational make-up is unique in Georgia. In addition to the Lieutenant Governor, who is designated as the Council's chairman, the Council consists of representatives of fifteen statewide organizations whose

scope includes economic development. The individual Council members are appointed by the Governor from a list of nominees submitted by the organizations they represent. The Council's membership is broad based, ranging from local to state government and spanning both the public and private sectors. The member organizations include:

- o Association of County Commissioners of Georgia,
- o Georgia Municipal Association,
- o Georgia Department of Industry and Trade,
- o Georgia Department of Community Affairs,
- o Engineering Experiment Station at Georgia Tech,
- o Institute of Community and Area Development at the University of Georgia,
- o Georgia Business and Industry Association,
- o Georgia Chamber of Commerce
- o Georgia Industrial Developer's Association,
- o Georgia Regional Executive Directors' Association,
- o Georgia Planning Association,
- o Georgia Productivity Center Advisory Committee,
- o Georgia Office of Planning and Budget,
- o Georgia Agribusiness Council, and
- o Georgia Chamber of Commerce Executives Association

At the 1977 session, the General Assembly recognized the need to strengthen the Council by adding citizen representatives. Consequently, legislation was passed to add three public members to the Council, to be appointed by the Governor, Lieutenant Governor, and Speaker of the House, respectively. Also the State Superintendent of Schools was added to represent the State Department of Education.

Council Objectives

At the first organizational meeting held on October 20, 1976, Lieutenant Governor Miller, Chairman of the Council, outlined approaches he felt the Council should consider in developing its objectives, policies, and programs. The full text of these remarks are contained in Appendix A. Subsequently, the Council and its staff developed the following initial objectives.

The Council has two principal objectives. Its legislative mandate is to formulate comprehensive economic development policy for the state of Georgia. At the same time, a major Council objective is to help

coordinate the numerous economic development programs that operate in Georgia, in the public and private sectors, and at the local and state levels. The very establishment of the Council is a step towards the realization of this latter objective, in that it formally brings together for the first time many of the statewide organizations that comprise the economic development community in Georgia.

The Council's primary objectives of policy formulation and coordination are extremely difficult and broad and, since its first meeting, the Council has been working to develop subordinate objectives to guide its activities during its formative first year of operation. These include:

1. Identify the state's existing economic development policies and programs, including unstated policies that operate in the program structure of functional agencies, and evaluate those programs and policies in light of economic conditions and trends;
2. Identify issues of strategic importance to the future course of economic development in Georgia and study a small number of these issues in depth to produce concrete policy recommendations;
3. Recommend economic development priorities and targets so that organizations can work together to achieve the "critical mass" of resources and effort necessary to realistically influence the course of economic events;
4. Ascertain and communicate the viewpoint of the broad economic development community in Georgia as regards important economic development issues;
5. Identify and develop mechanisms to implement economic development policy at the state and local level and in the public and private sectors;
6. Draw upon economic research and models in the State University System and other research organizations as the basis for more rational economic development policymaking at the state level, and help translate economic research and models into a form that is useful to state policymakers.
8. Promote greater awareness and public consensus on major economic development issues and work to reduce misunderstanding and unnecessary conflict over those issues; and,

9. Serve as a public forum to listen to citizen concerns regarding economic development in Georgia, to exchange ideas, and to explore economic choices and alternatives for Georgia.

These principal and intermediate objectives comprise an ambitious and long-term program of work and are ones to which the Council's organizational makeup and diversity of talent are well suited. In its first year, the Council plans to meet these objectives through the policy approach and task force structure described in the next two sections.

Policy Approach

At its first several meetings, the Council concerned itself with defining the most effective approach it could take to state economic development policy making. Through its staff, the Council has contacted over a dozen similar policymaking bodies in other states to determine what policy approaches had proven most successful. This effort has been augmented by extensive staff research and contact with federal agencies and national associations.

Based on its research and findings, the Council has chosen a "strategic issues" approach to policymaking (see Appendix B). This involves the identification of a small number of issues of critical importance to the future course of economic development in Georgia and the formation of task forces to study these issues in depth. After lengthy examination and discussion of economic issues in Georgia, the Council has decided to focus initially on: (1) the impact of energy shortages on economic activity and development in Georgia, (2) environmental constraints to growth, and (3) the impact of new natural resource development on patterns of growth. These are issues which the Council feels will have a critical impact on the future course of economic development in Georgia and, equally important, are issues to which the Council is organizationally capable of helping to find solutions.

The Council is a policy formulating and coordinating body and is not equipped to do original research. Rather, in dealing with these strategic issues, the Council has adopted this five-point approach:

- o Coordinate and draw upon the expertise of other organizations in Georgia and elsewhere that are working on these same issues;
- o Gather, organize, and evaluate existing data and research;
- o Identify questions that need further study and encourage the necessary applied research;

- o Provide objective and critical overview of current plans, policies, and programs that deal with these issues, and
- o Recommend concrete and practical policies.

The Council is sensitive to the gap that often exists at the state level between policymaking, on the one hand, and implementation and results on the other. Because the Council's membership includes all levels of government in Georgia and spans both the public and private sectors, it is strategically organized to help bridge this implementation gap. A major emphasis of the Council's work will be to identify and nurture methods of implementing the policies it recommends.

Also, the Council recognizes the opportunity for greater cooperation between economists in the State University System and state government policy makers on developing a more rational basis for economic development policies and decisions. The Council will work with University economists to translate their research and models into an operational form that is useful to economic policymaking at the state level. At the same time, the Council will identify issues that require further analysis and will encourage applied research on those issues.

Statement of Operating Objectives

As a result of its deliberations concerning policy approaches, the Council developed a series of primary operating objectives supported by subordinate objectives. The following objectives were adopted on May 5, 1977:

Primary Objectives

- o Support, formulate as necessary, and advance economic development policies and objectives for the State of Georgia.
- o Encourage coordination of economic development policies and programs in Georgia, in the public and private sectors, and at the state and local levels.
- o Advise the Governor and General Assembly on matters pertaining to economic development.
- o Promote greater public awareness and understanding of state, regional, national, and international economic development issues and opportunities.

Subordinate Objectives

- o Identify the state's existing economic development policies and programs, including unstated policies that are implicit in the program structure of functional agencies, and evaluate those policies and programs in light of realistic economic conditions and trends.
- o Identify and review a selected number of issues of strategic importance to the future course of economic development in Georgia and make concrete policy recommendations to help resolve these issues.
- o Draw upon professional capabilities in the State University System, government agencies, and other resource organizations to help identify, analyze, and find solutions to economic development problems in Georgia.
- o Identify, encourage, and propose mechanisms to implement economic development policies in Georgia at the state and local levels and in the public and private sectors.
- o Review, integrate, and communicate the viewpoint of the broad economic development community in Georgia on important economic development issues.
- o Serve as a public forum to listen to citizen input regarding economic development, to exchange ideas, and to explore economic choices and alternatives for Georgia.

Program of Work

The Council has held eight meetings since its first session on October 20, 1976, and is still in a formative stage. At its meeting on April 5, the Council unanimously adopted a plan to divide itself into four task forces:

1. Energy Task Force
2. Natural Resource Management Task Force
3. Policy Implementation Task Force
4. Economic Research Task Force

The first two task forces will focus on issues of critical importance to economic development in Georgia. The Energy Task Force will deal with the impact of energy shortages on economic development and activity in Georgia and will focus on such issues as: (1) continued industrial activity and growth in light of long-run energy problems and competition from energy-rich states,

and (2) compatibility of state and sub-state industrial and tourism promotion practices with realistic energy constraints. The task force will review the economic impact of alternative energy technologies and strategies and will recommend "best bet" solutions from an economic development standpoint.

The Natural Resource Management Task Force will focus on environmental constraints to growth, such as water supply and quality, soil and sediment erosion, and aesthetic factors. The task force will also deal with the stimulating effects on growth of new resource development, such as the economic potential of alumina production from kaolin. The task force will review industrial development and promotion practices in light of these natural resource considerations and will recommend optimal patterns of growth and environmental protection.

The Policy Implementation Task Force will work with the two issue-oriented task forces on developing methods to implement the Council's policy recommendations at the state and local level and in both the public and private sectors. Because of the difficulty that exists in implementing economic development policy at the state level, the council has decided to formalize this function of identifying and nurturing implementation mechanisms through a separate task force structure.

Finally, the Economic Research Task Force will (1) work with economic modelers and analysts in the State University System to translate their research into a form that can be used by state decision-makers as a basis for more rational policy decisions, (2) serve as an economic "early warning system" to identify emerging economic issues and crises, and (3) encourage applied research in the State University System and other research organizations on important economic issues facing the state.

Coordination

An overriding operating principle of the Council is to coordinate closely its work with other agencies dealing with related economic development issues. These agencies include (1) the organizations represented on the Council, (2) other private and public agencies in Georgia not represented on the Council, (3) similar economic development councils and policymaking agencies in other states, and (4) federal agencies and national associations. The Council lacks the staff resources to do original research and will draw heavily upon the work

of other organizations. At the same time, the testimony of experts and knowledgeable citizens will be sought through public forums. All Council meetings are open to the public and publicized through the offices of the Georgia General Assembly.

Part 2

PROJECT PROGRESS

Objective

The objective of the project is to facilitate and improve the cooperative interaction of members of the Economic Development Council of Georgia (EDC) in the accomplishment of the duties of the Council. A collateral objective of the project is to provide the Economic Development Administration an information base upon which determinations can be made relative to the need for additional applied research to improve communications and organizational networking of processes and programs involved in economic development. Specific information concerning the nature of the project is contained in the news release in Appendix C.

Project Universe

The Economic Development Council of Georgia is composed of 16 individuals who were nominated for Council membership by organizations and agencies specified in state legislation and were appointed by the Governor. Three other members are appointed as citizen members.

The legislation creating the Council specifically identified the 16 organizations providing representation on the Council. Thus, this project was established on the premise that the primary role of Council members is that of representative of the organizations that they were nominated to represent. Otherwise, membership could be drawn fully from the state-at-large without reference to any particular organization. It is also noted that each Council organization has been identified by the General Assembly of Georgia as an organization involved in economic development.

The primary research universe of this project is the 16 organizations providing council membership. A brief analysis of these organizations reveals that the universe is not a homogeneous one. At least five distinct organizational categories have been identified for research considerations. These categories are as follows:

- o Government agencies
- o Governmental associations

- o Educational institutions
- o Business associations
- o Professional associations

Organizational representatives also present a diverse research universe. In some instances, individual representatives are heads or chief administrators of the organizations represented on the Council. In such cases, the representative functions in at least two roles: that as administrative head of the organization that he represents and that of Council member. Some Council representatives function in at least three roles: that of Council member, that of officer or member of the organization he represents on the Council, and that of employee of another organization in which he is a full-time employee.

Work Program

The project work program and schedule is contained in Appendix D. The work scheduled for the first quarter was as follows:

Task 1 -- Start up-Activities

- o Organization of project task group.
- o Establish communication with members of Economic Development Council and LAZAR Group (Contractor for RFP No. 6-36378).
- o Complete work plan and schedule in cooperation with Council members; keep the Georgia Planning Association (contractor for RFP No. 6-36378) informed of progress.

Task 2 -- Investigative Phase

- o Collect existing studies and data from Council members relevant to their activities in the field of economic development.
- o Analyze and evaluate existing studies and data to determine the nature and magnitude of involvement of members in the field of economic development.
- o Make a preliminary identification of the essential communication activities that are currently being undertaken by member organizations.

- o Identify gaps in information and data; develop methodology for obtaining required information.
- o Develop instruments; for collecting and analyzing data.

Essentially all work planned for the first quarter has been accomplished to the degree anticipated. However, several items will require further refinement and, as the work progresses, new avenues for exploration will become apparent.

The project director has not encountered any serious problems or barriers to the conduct of the project. As a matter of fact, the Council executives and members have been most helpful in furnishing data and information and appear to understand and concur with the objectives of the project. However it is recognized that the project progress depends in great measure on the progress and development of the Council's activities.

Project Activities

Start-up Activities and Liaison. All start-up operations were completed during the first quarter and preliminary investigations were initiated. The project director established and has maintained close and continuing liaison with Arthur Sterngold, the Council's Executive Director. The project director has attended all full Council meetings and most of the work sessions of the task forces described in Part 1. Liaison also has been maintained with Russell Calwell and Robert Cassell, who are performing related EDA projects.

Investigative Phase. Activities involving tasks scheduled in the investigative phase of the project are as follows.

Literature Search. Efforts were undertaken prior to the initiation of the project to identify and collect relevant research findings so that the project could be undertaken on a sound theoretical basis. A list of pertinent reference materials relating to the project is attached as Appendix E. As this material is collected, it will be utilized in project research. It appears that some of the most practical and significant research in the subject area has been undertaken by David L. Rogers and his colleagues at Iowa State University. The study entitled "Interorganizational Relations among Development Organizations: Empirical Assessment and Implications for Interorganizational

Coordination" is being used as one of the theoretical models for the project.

Methodology. The principal objective of the project is to facilitate and improve the cooperative interaction of Council members in the accomplishment of the duties of the Council. In determining the methodological approach to be undertaken for the project research, several factors were considered.

It was noted above that the Council is composed of individuals who are nominated by member organizations and are appointed to the Council by the governor. Although the matter of interpersonal relations of individuals on the Council and group dynamics involving the Council as a whole are very important, this project is concerned with the interorganizational functioning of the member organizations as well as individual activity. Initially, research activity will focus on organizations and interorganizational activity as reflected by information supplied by EDC organizational representatives and/or agency and organization administrators and managers. A list of EDC representatives and member organizations is contained in Appendix F.

It has been determined that the methodology to be employed in project research should have the following general characteristics:

- o Project methodology should be as simple as possible.
- o Project research should not be accomplished in isolation, but should involve Council leadership and the membership whenever possible.
- o Research findings and/or suggestions for improvement in interorganizational functioning of Council members should be furnished the Council as they become available so that the Council can consider their use in current planning and operations.
- o Initially, project methodology should focus on formal organizational matters and interorganizational relationships.

Project methodology must be applied in such a way that answers to critical questions can be obtained. Some of the basic questions to be answered are as follows:

- o What are the essential types of interorganizational activity associated with the mission, policy, and function of each organizational element represented on the Council with respect to economic development?

- o What present measures are member organizations using to identify the economic impact of their activities in the field of economic development?
- o What specific communication points exist within member organizations (persons, committees, branches, or other subordinate divisions) which are utilized in contacts or interaction with other member organizations or their clientele in economic development?
- o What communication vehicles, media, and control mechanisms do member organizations utilize in contacts and interaction with other Council members ?
- o What existing communication channels and networks are currently utilized by member organizations in their contacts and interaction with member organizations?
- o What are the needs for additional applied behavioral science research directed primarily towards the networking and communication problems involved in the economic development process?

Characterization of EDC Member Organizations . For the purpose of analysis, member organizations from which representatives are appointed to the Council by the Governor have been divided into five categories as follows:

- o Government Agencies

State Office of Planning and Budget
 Department of Industry and Trade
 Department of Community Affairs
 State Department of Education

- o Governmental Associations

Georgia Municipal Association
 Association of County Commissioners of Georgia

- o Educational Institutions

Engineering Experiment Station, Georgia Tech
 Institute of Community and Area Development, University of Georgia

- o Business Associations

- Georgia Chamber of Commerce
 - Georgia Business and Industry Association, Inc.
 - Georgia Agribusiness Council, Inc.
 - Georgia Productivity Center Advisory Committee

- o Professional Associations

- Georgia Planning Association
 - Georgia Chamber of Commerce Executives Association
 - Georgia Industrial Developers Association
 - Georgia Regional Executive Directors Association (APDCs)

Organizational Profiles. The first survey instrument to be developed was the organization profile, a sample of which is attached to this report as Appendix G. This document contains the following type of information.

- o Organization name
- o EDC representative
- o Purpose or objective
- o Activities
- o Organizational characteristics
- o Operational structure
- o Membership or clientele

Preliminary analysis of information and studies obtained from member organizations confirms the fact that all member organizations are involved in economic development. However, the intensity of economic development activities and interrelationships among member organizations can not be determined until further research is completed. Judging by attendance of meetings and participation in Council affairs, most representatives appear to be supportive of the aims of the Council. Current Council representatives can be characterized as a group of pragmatic, successful administrators and managers.

Characteristics and Relationships of Numerical Data. Although the numerical data obtained from the relatively small universe of 16 organizations may not be statistically significant, they provide a basis for characterising and explaining relationships among and between member organizations of the Council. In the investigative phase of the project, therefore, the activities, functions

and relationships of EDC organizations will be categorized and tabulated. Several tentative table formats have been developed to display data and provided the basis for interview formats. These tables are organized to show pertinent interrelationships among council organizations with respect to economic sectors, development factors, and development activities or functions accomplished by the organizations. A partial listing of these sectors, factors and activities is as follows:

- o Economic Sectors
 - Industry
 - Agriculture
 - Service
 - Forestry
 - Fishing
 - Distribution
 - General Business (less distribution)
- o Development Factors
 - Natural resources
 - Physical resources
 - Human resources
- o Development Activities
 - Policy
 - Research
 - Planning
 - Program Implementation
 - Legislative Liaison
 - Education and Training
 - Program Evaluation
 - Technical Assistance

It is anticipated that some of the tables to be developed are as follows:

- o Selected Economic Development Activities by EDC Organizations'
 - Involvement in Such Activities
- o Number of EDC Organizations by Number of Selected Economic Development Activities in Which they are Involved by Type of Agency

- o Selected Economic Sectors by EDC Organizations' Involvement with Such Sectors
- o Number of EDC Organizations by Number of Selected Economic Development Activities Which They Perform by Range
- o Economic Development Interorganizational Relations (IRO) by EDC Organizations' Involvement in Selected Activities
- o Range of Economic Development Interorganizational Relationships of EDC Organization Members by Major Categories
- o Number of Communication Points By Type Within EDC Organizations that Interact with Similar Points in Other EDC Organizations
- o Number of Types of Program Evaluation Undertaken by EDC Organizations
- o Media by Type Utilized by EDC Organizations in Their Interaction with Other EDC Organizations
- o Accountability of EDC Organizations to Others

The matrice included in Appendix H, illustrates the rationale to be utilized in interviews with Council members and data table development.

Second Quarter Projected Work Program

It is anticipated that the remainder of Task 2 items will be completed during the second quarter. Also, some of the Task 2 items undertaken during the first quarter will need review and possibly some additional investigation. Work on Task 3 scheduled for the second quarter will be undertaken during the third quarter to equalize the work program. Task 2 items to be undertaken during the second quarter are as follows:

- o Conduct further investigations as required.
- o Complete the identification of the essential types of interorganizational activity of each member with respect to the organizations mission, policy, and function in the economic development field.
- o Identify present measures, if any, that member organizations are utilizing in the assessment of the economic impact of their activities in the field of economic development.
- o Identify specific communication points within member organizations which serve as "linking pins" with other organizations are individuals in the conduct of economic development operations.
- o Identify communication vehicles, media and control mechanisms utilized by member organizations when involved in interacting with other member organizations.

- o As time and funds permit, accumulate information from each member organization concerning communication and networking with the members, clientele, and the clientele of other member organizations.

Appendix A

REMARKS BY LIEUTENANT GOVERNOR ZELL MILLER
TO THE ORGANIZATIONAL MEETING
OF THE ECONOMIC DEVELOPMENT COUNCIL OF GEORGIA ON OCTOBER 20, 1976

REMARKS BY LIEUTENANT GOVERNOR ZELL MILLER AT THE ORGANIZATIONAL MEETING OF THE ECONOMIC DEVELOPMENT COUNCIL OF GEORGIA, ROOM 341, STATE CAPITOL, ATLANTA, GEORGIA, WEDNESDAY, OCTOBER 20, 1976, 10:00 A.M.

Pursuant to the provisions of House Bill #1791 of the 1976 General Assembly, which designated the Lieutenant Governor as Chairman, I call to order this organizational meeting of the Economic Development Council of Georgia.

I confess that when I read the legislative mandate that authorizes this Council, I am impressed by the magnitude of our joint responsibility. According to House Bill #1791, "The Council shall develop a policy of the State which will embody carefully ascertained economic growth and development objectives. Such objectives shall include provision for employment opportunities for all citizens in growth industries within the State, production of investment incentives, development of necessary Statewide and local transportation, communication, education, housing, health services, and recreation needs; and methods, programs or means for the optimum utilization of human, natural and capital resources of the State."

I know first-hand how important each of these objectives is. As an elected official of the State, I have visited the people of Georgia and have discussed with them their personal hopes for economic well-being and advancement. And yet, I have learned from my experiences as Lieutenant Governor, and we have all learned from the lessons of the economic recession from which we are only now recovering, how difficult it is to control our economic destiny.

In spite of our best efforts, and as a result of economic forces largely beyond our control, nearly 150,000 Georgia citizens are unemployed, and that figure does not include the thousands more who have given up on finding a job and left the labor market. Thousands of Georgia workers are underemployed, working at jobs which waste their best skills and where there is little chance for them to advance up the economic ladder. And finally, thousands of students in our universities, vocational education courses and job training programs are making an effort to upgrade and learn new skills, but for which no market may exist when they try to earn a living from those skills.

To these citizens, economic development means something very personal. Economic development means opportunity--the opportunity to reach their potential as working members of society. It is the job of this Economic Development Council to help create that climate of opportunity. But to do so, we need to strike out in bold new directions--we need to move beyond the conventional wisdom of "business as usual." This Economic Development Council is formed at a strategic time in our state's history, but whether or not we will be effective, whether or not we will really make a difference to the people of Georgia, is a question that will be answered by our degree of commitment and imagination.

I want to set forth a challenge to this Council, and to do so, let me begin with some words from Dr. Lynn Munchmore, who is Chief Economic Planner for the State of North Carolina. In a recent article, Dr. Munchmore criticizes economic development policies and programs in most states, policies which he argues,

and I quote, "prove upon close examination to be substantively empty." He goes on to discuss the reasons for these failures, reasons such as lack of coordination and commitment to priorities, and perhaps most important, lack of realism and honest evaluation. In conclusion, Dr. Munchmore asks whether economic development policy at the state level is really necessary. Given the circumstances in most states, his answer is, "I am not certain that it really matters at all."

To those who lack the imagination to progress beyond the cliches and conventional wisdom of old development policies, Dr. Munchmore's words must seem cynical and discouraging, as if they close the final page on the story of people's efforts to influence the economic well-being of their state. But I would rather agree with the late John F. Kennedy, who once said that, "To state the facts frankly is not to despair the future nor indict the past." I see Dr. Munchmore's article as a challenge to us to seriously reappraise our assumptions and beliefs, and to rethink our policies and programs. If it is time to turn the last page on the old story of economic development, then let us join together today in co-authorship to write the new story, and let's title the first chapter the "Economic Development Council of Georgia."

Later in this meeting, each of you will have the opportunity to briefly describe to the Council the role your organization plays in promoting economic development in Georgia. I realize that each of our organizations has its own special interests and constituents, but I ask that we harness our resources together to make the Economic Development Council an effective and potent force in Georgia. This Council was not meant to be

just another layer of bureaucracy in the development establishment. Rather, the Council should serve as the conductor of an orchestra, helping to guide each of our organizations' activities into an overall pattern of economic development that is consistent and meaningful. This Economic Development Council must make a difference to the people of Georgia, and I am confident that we can make a difference if we commit ourselves to these four operating principles:

1. The Economic Development Council should operate as a coordinating body, bringing us together into a cooperative whole which is greater than the sum of our individual parts. Too often, the right hand of the development world is unaware of what the left hand is doing. We need to insure that our different policies are complimentary and consistent with one another, so that we get the most for our money, and so that businessmen in Georgia or out-of-state are not confused by a myriad of policies. In the final analysis, we are all dedicated to the goal of greater economic opportunity for the people of Georgia. If we remember this common goal, then there is no reason why the Council cannot succeed in coordinating our efforts into an overall policy and approach.

The Economic Development Council can serve the valuable function of coordinating policy between government and the private sector, helping to bridge the gap of misunderstanding that so often forms between the two. There is no greater problem facing government than its inability to translate policy into implementation and action. The Economic

Development Council has the unique ability not only to formulate policy, but also to take that policy back to our member organizations and put it into action. Bu using that unique ability to both plan and implement, the Council can coordinate government and private development activities in a manner that makes full use of the total resources of both sectors.

2. The Economic Development Council should operate as a priority-setting body, through which we can make hard choices and then commit our resources to achieve goals that could not have been realized in the absence of our combined efforts. Economic trends are powerful forces, and we need to be realistic as to the extent to which we can influence their magnitude and direction. If we try to accomplish all of our objectives at once, it will be like swatting at an elephant with a flyswatter. We have to make the hard decision as to what is most important, and then combine our energies so that we can achieve the "critical mass" which is necessary to have any real punch in our state's economy. As Dr. Munchmore pointed out is his argument, not many state development policies ever reach this critical mass-- too often they are but well-meaning windowdressing. This Council must make a difference to the people of Georgia, and to do so, we need to serve as a priority-setting body.

3. The Economic Development Council should operate as an evaluative body, through which we take stock of our policies and programs, to be sure that we are heading in the right directions and that our programs are really performing. It has been said that economic policies are based on the ideas of long dead or discredited economists. Too often, we allow our actions to be based on shopworn theories that are little more than cliches. We need to continually question our assumptions and beliefs, evaluate our policies and judge the performance of our programs. The Economic Development Council can fill the valuable role of evaluating development policies and programs in the State of Georgia, and serve as a forum for the questioning and debate of our policy directions.

4. And finally, let us not forget that this Economic Development Council is a public body, through which we both strive to serve the public interest, and through which we listen to people to insure that our policies meet their needs. It is a main tenet of modern political theory that organizations tend to pursue policies that promote their own survival and growth, rather than policies that truly serve society. As a Council, we must never be self-serving, but rather, people-serving. Since ours is a democratic society, people must have access to our Council, be it in the form of public hearings, surveys and polls, visits to local communities and the like. We must be willing to recognize fundamental economic choices and alternatives facing our state, even if by so doing, we cause debate and even incur criticism. Let us not forget that there is no unanimity in the area of economic development, and that we will have to make an effort to sell our policies in the marketplace of ideas and in the political arena.

The Economic Development Council of Georgia is formed at a strategic time, a time when the economic recovery of our state is gaining momentum, and a time when the "business as usual" approach is being questioned and replaced by alternative policies based on imagination and innovation. If we commit ourselves to the four operating principles I have just enumerated, I am confident that we can be effective in bringing opportunities to people where none would have otherwise existed. In the final analysis, it is at this level of personal well-being that we need to make the difference.

Before introducing the members of the Council and the organizations they represent, let me introduce Mr. Arthur Sterngold, who is Staff Director to The Joint Full Employment In Georgia Study Committee. Because the Economic Development Council was not appropriated operating funds, I have asked Mr. Sterngold to assist with the Council until such time that arrangements are made for permanent funding and staff. I hope that before this meeting is over, we can determine a course of action for obtaining funds for the permanent operation of the Economic Development Council of Georgia.

As the agenda for this meeting stipulates, I would like each of you to come forward to the microphone and take five minutes to briefly describe the role your organization plays in the economic development of Georgia. I have asked each of you to make this presentation as a way for us to acquaint ourselves with the organizations we represent.

Let me begin by asking Mr. _____ representing _____ to step to the podium and tell us about his organization.

(LIST OF PEOPLE AND ORGANIZATIONS)

Appendix B

A POLICY APPROACH FOR
THE ECONOMIC DEVELOPMENT OF GEORGIA

ECONOMIC DEVELOPMENT COUNCIL
OF GEORGIA
603 W. Peachtree St., Suite 1501, Atlanta, Georgia 30308
(404) 894-3623

Honorable Zell Miller, Chairman
Lieutenant Governor of Georgia

Mr. Gene Dyson, Vice-Chairman
Georgia Business and Industry Association

Mr. Arthur Sterngold
Executive Director

A POLICY APPROACH FOR THE ECONOMIC DEVELOPMENT COUNCIL OF GEORGIA

(Executive Summary)

Arthur Sterngold

Executive Director
Economic Development Council of Georgia
March 8, 1977

PREFACE

This paper is based on several excellent articles and studies of state economic development policy-making, as well as on numerous discussions with officials from economic development bodies in other states. A more complete copy of this report with footnotes and references is available on request.

Most state economic development policies prove upon close examination to be substantively empty, serving more as "window-dressing" than as effective guides to influence the course of future economic events. In the words of one seasoned veteran with many years of experience in state economic policy-making:

"For the construction of effective state growth policy will be a feat rarely accomplished. The task is not impossible - it is merely improbable, and I submit that labors which produce an ineffective growth policy are better spared for other issues."*

The best way for the Economic Development Council of Georgia to begin its work is by recognizing the obstacles to effective economic policy at the State level. By initially adopting a "strategic issues" approach to policy-making, the Council has the best chance of developing itself into an effective and credible organization.

*Dr. Lynn Munchmore, State Planning Officer of North Carolina, from "State Economic Growth Policy: Some Critical Observations" in State Planning Issues, 1974.

SECTION I: CHALLENGES FACING THE ECONOMIC DEVELOPMENT COUNCIL

The purpose of the Economic Development Council is to formulate an economic development policy for Georgia to encourage growth. The enabling legislation which created the Council calls for a comprehensive approach to policy-making which includes, "methods, programs or means for the optimum utilization of human, natural and capital resources of the State".

The Council faces major challenges which will determine its long-run success. Some of these challenges are inherent to the process of economic development policy-making at the State level:

1. The enormous scope and complexity of formulating a comprehensive economic development policy which can be translated into operational objectives and implementation,
2. The absence of political consensus at the state level on several key economic development goals and policies, and,
3. The inability of the economic science to isolate and fully understand the causes of growth, and the impact of state and sub-state government policies on economic development.

The Council also faces problems that are specifically related to its organizational make-up:

4. The Council's lack of powers to implement or enforce its policy recommendations,
5. The absence of a specific clientele and implementation mechanism through which the Council can translate its policies into action,
6. The understandable fear on the part of existing planning and development officials that the Council may duplicate or compete with the work of their agencies, and,
7. The limited availability of staff resources and operating funds.

Perhaps most important, the Council faces the over-riding challenge of gaining credibility as an effective and worthwhile organization. The Council needs to adopt an operating policy which recognizes and overcomes this challenge.

SECTION II: "ECONOMIC DEVELOPMENT" DEFINED

It is important that the Council takes the time to define what it means by "economic development". One approach is to define economic development in terms of the twofold process of: (1) economic growth, and (2) improved productivity. Growth refers to the overall expansion of economic activity, and is commonly measured by increases in employment, total wages and salaries, personal income, and real state product. Improved productivity refers to the process of structural change in a growing economy which results in greater productivity of the overall economic system. To use the colloquial, economic development means "better", and not just "bigger". Common indicators of improved productivity are increases in wage and salary levels, per capita income, and value added per employee. Of these numerous measures, employment and income are the ones most familiar to policy-makers and the public.

From a policy standpoint, the definition of economic development is sometimes broadened to include the concept of increased stability, which refers to the degree of immunity of the state's economy to harmful economic disruptions, such as national recessions, energy shortages, decline of particular industries, and so on. Economic stability is achieved by increased diversity of the state's economic base, growth of those industries that are least vulnerable to economic fluctuations and resource shortages, and increased resiliency and strength of the state's economic institutions. At the same time, stability is enhanced by avoiding extremely high rates of economic growth that cannot be sustained over reasonable periods of time.

There are no aggregate measures of stability, although it can be monitored by observing fluctuations in unemployment and growth rates, the extent to which major industries are dependent on scarce energy and natural resources, and other factors.

Increasingly, policy-makers and citizens are insisting that definitions of economic development encompass quality-of-life factors that are not reflected in quantitative measures. One approach is to consider these non-market variables as comprising the overall quality of the public, social, aesthetic and natural environment. Although many of these factors cannot

be measured, they are of **real economic** value to society. From this broad viewpoint, economic development means improved quality-of-life, including both measurable and immeasurable factors.

As this discussion indicates, there is not clear-cut definition of economic development. The narrowest definition is that of pure economic growth, while the broadest definition includes increased growth, productivity, stability and environmental quality. Perhaps a reasonable definition is: "Economic development" is defined as the growth and improved productivity of the overall economy, preferably, in a manner which promotes greater economic stability, and which is consistent with desired levels of environmental protection and quality.

Unfortunately, these four criteria are often incompatible in reality. In those cases, only public preference and political decisions can determine what concept of "economic development" is consistent with prevailing political and social values.

We have defined economic development in terms of its results, largely for the sake of measurability. Economic development can also be characterized by the process that generates those results. Traditionally, economic development is described as a process of capital accumulation of essentially two external origins: (1) migration of capital which attracts people, or (2) migration of people which attracts capital. Alternatively, economic development can be described in terms of the internal process of structural evolution and maturity of the economy, which refers to the ability of an area's physical, capital and human infra-structure to support increasingly sophisticated, dense, and inter-related forms of economic activity.

Despite the great proliferation of economic development theories and policies, there is perhaps no aspect of economics that is less understood than the causes and process of economic development.

SECTION III: ECONOMIC DEVELOPMENT "POLICY"--SUBSTANCE ON WINDOW-DRESSING?

To be "effective", an economic development policy must cause some change in the course of economic events that would not have occurred in the absence of that policy. In a growing economy, an articulated commitment to some pattern of growth that will occur anyway is not "effective" policy. Several

recent studies have found that at the state level, economic development policy is usually substantively empty and ineffective.

This failure of state economic development policy is largely a result of four problems:

1. There is usually a lack of political agreement on key economic development goals among state lawmakers and the public,
2. The vast majority of economic forces that shape a state's economic future are largely beyond the influence of State government,
3. Of those economic factors the State can control, there is often insufficient scientific knowledge of how those factors affect economic development, and,
4. The controls over economic development that are available to the State are scattered throughout the government organization, and it is extremely difficult to gather these controls together into a unified policy thrust.

In general, a state is predominately a legal and political jurisdiction in an open economy, and does not occupy a strategic position from which to shape the course of economic development within its boundaries. Although all states engage in different degrees of economic development policy-making, most of these state policies are largely "window-dressing", and do not effectively influence the future course of economic events.

In consideration of these problems confronting policy-makers, a state economic development policy should satisfy two important criteria if it is to have any effect: (1) the goals towards which policy is addressed should be relatively modest if they are to be realistic, and (2) the state must be able to collect its policy tools under a cohesive and firmly enforced policy direction in order to achieve the "critical mass" of human efforts, resources and political clout necessary to impact the course of economic events.

SECTION IV: APPROACHES TO STATE ECONOMIC DEVELOPMENT POLICY-MAKING

Many states formulate economic development policy statement to guide the activities of line agencies involved in development programs. In those states that have an integrated planning-budgeting process, the policy state-

ments are also a basis for budget decisions. However, in practice, these policy statements are rarely translated into concrete operational objectives which can realistically be used to implement and evaluate agencies' programs. Most states do not have an enduring mechanism to translate analysis into policy into implementation into results. Consequently, economic development policy statements are usually little more than an aggregate of the economic, environmental and manpower policies of numerous functional agencies. Too often, the "tail wags the dog" in economic policy-making at the state level.

In those states that have developed more sophisticated methods of policy-making, three general approaches can be identified: (1) public investment planning, (2) future goals and alternatives, and (3) strategic issues.

The purpose of the public investment planning approach is to manipulate the geographical distribution and timing of public capital outlays in a manner which will promote desired patterns of growth. This includes direct public investments by the State, as well as Federal allocations which the State can influence. Whether intended to or not, public investments in schools, roads, water treatment facilities, and other capital projects can exert a tremendous impact on economic growth in particular regions. However, although public investment planning represents a powerful tool for state economic development policy, it is the most difficult approach to implement. For one, public investments are usually planned by line agencies that have their own interests and constituencies to satisfy, and semi-autonomous programs managers are rarely willing to redirect their capital outlay plans under the unifying theme of economic development policy. At the same time, government outlays for new facilities are extremely susceptible to political pressures, and citizens and politicians will usually lobby for patterns of public investment that are compatible with their communities' interests.

The future goals and alternatives approach emphasizes the importance of generating discussion and consensus on major economic development goals. In some cases, the process begins by analyzing the long-run implications of current development trends, so that policy-makers can evaluate existing policy in terms of future implications. In other cases, the process begins with systematic discussion of economic development goals for the future, to discover what future economic scenarios are most desirable to policy-makers and

and the public-at-large. This approach usually incorporates widespread citizen participation through meetings, surveys and other means. The purpose is to generate a consensus of widespread public support for major economic development goals which, hopefully, will result in greater commitment to those goals on the part of lawmakers and government officials. Problems with this approach are that the general economic development goals are sometimes unrealistic and incompatible, and, the difficulty of translating general goals into operational policies that can be implemented.

The strategic issues approach focuses on a small number of key issues which will have a critical impact on the state's future economic development. It is less comprehensive than the other two approaches, but for several reasons, may tend to be the most effective.

The strategic issues approach assumes that by concentrating available resources, human effort and political clout on a few key issues, the necessary "critical mass" of influence can be exerted to have an effective impact on economic development. The process includes issues identification, issues analysis, issues resolution, and implementation. It has an explicit action orientation, designed to result in concrete legislation, public investments, or new programs.

There are several advantages to the strategic issues approach, despite its piecemeal focus. Because of the dynamic nature of our economy, specific economic factors often emerge which occupy a strategic position in determining the future course of economic events. If some of these factors can be identified and influenced, they may have a "cascade-like" effect, causing other dynamic developments to occur. In the realm of economic development, not all factors are of equal significance, and the strategic issues approach tries to focus on those factors of greatest importance.

A related consideration is that in our political system, effective policy implementation often requires high visibility and widespread public concern for the major issues underlying the policy. In the absence of that political visibility and concern, government action is usually sluggish and indecisive. By emphasizing critical problems, the strategic issues approach can help generate the necessary public visibility and interest to stimulate action.

Finally, lawmakers and government officials usually respond best to policy recommendations that are narrow in scope, concrete and "implementable". By substituting breadth for depth, the strategic issues approach allows each issue to be studied in sufficient detail to develop specific policy recommendations which clearly indicate what decisions and actions are needed.

SECTION V: CONCLUSION--A STRATEGIC ISSUES APPROACH FOR THE ECONOMIC DEVELOPMENT COUNCIL

The Council's legislative mandate is to formulate a comprehensive economic development policy which is to include an extremely broad range of development factors. To pursue that degree of comprehensiveness from the start would be fatal to the long-run effectiveness of the Council. Rather, the Council should adopt a strategic issues approach to policy-making during its first year of operation, focusing on a small number of factors of critical importance to economic development in Georgia. Although the Council's legislative authority emphasizes a wide range of policy issues, there is no stipulation that all of these issues must be tackled from the start, nor that they all be given equal priority and emphasis.

Recent studies have indicated that at the state level, economic development policy is usually superficial "window-dressing" of little substance and clout. To be effective, economic development policy must be modest in scope if it is to be realistic, and it must be able to mobilize a "critical mass" of resources, human efforts and political will. In Georgia, the strategic issues approach can best satisfy these two criteria for "effective" policy.

Finally, this paper began with a discussion of the challenges facing the Economic Development Council. The over-riding challenge is that of credibility. By initially adopting a strategic issues approach which focuses on visible issues, and which produces concrete and "implementable" policy recommendations, the Council has the best chance of developing itself into an effective and credible organization.

Appendix C

ENGINEERING EXPERIMENT STATION NEWS RELEASE

NEWS

FROM THE

ENGINEERING EXPERIMENT STATION

GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

TECH DOES STUDY FOR GEORGIA

ECONOMIC DEVELOPMENT COUNCIL

For Immediate Release

(Mailed May 6, 1977)

ATLANTA, GA...The Georgia Tech Industrial Development Division is conducting a nine-month study project sponsored by the Economic Development Administration (EDA) designed to improve the cooperative interaction among the fifteen member organizations in the accomplishment of the duties of the Georgia Economic Development Council. An additional objective of the project, according to Robert Collier, project manager, is to provide EDA an information base on which determinations can be made relative to the need for additional applied research to improve communication and organizational networking of processes and programs involved in economic development in Georgia.

According to Collier, the scope of the project includes: identification of types of interorganizational activity associated with the mission, policy and function of each organizational element represented on the Council with respect to economic development; identification of measures that member organizations are using to determine the economic impact of their activities in the field of economic development; and identification of communication contacts within member organizations (persons, committees, branches or other subordinate divisions) utilized in interaction with other member organizations or with their clientele in economic development.

The project will also include identification of: communication

-more-

means, media, and control mechanisms that organizations utilize for interaction with other Council members; existing communication channels and networks currently utilized by member organizations for interaction with member organizations; and determination of the need for additional applied behavioral science research directed primarily toward the communication problems involved in the economic development process.

The Georgia Tech Industrial Development Division's work experience over a 20-year period suggests that an essential prerequisite for the successful accomplishment of economic development programs is good and consistent communication among agencies and organizations involved in similar processes and programs.

The United States does not have a comprehensive economic plan administered by a hierarchy of closely knit bureaucratic organizations. Rather, the economy of the country is dominated by a "conglomeration" of public and private organizations with relatively few chains of authority linking the formal organizations. The same situation prevails at the state level. The scope of research underway at Tech is limited to the development of an essential data and information base needed to gain an understanding of the economic functioning of member organizations of the Georgia Economic Development Council with the aim of utilizing such information to increase cooperative interaction of members in accomplishing the mission of the Council.

The Georgia Tech Engineering Experiment Station is represented on the Economic Development Council by Rudy Yobs, Director of the Productivity and Technology Applications Laboratory which is doing the study.

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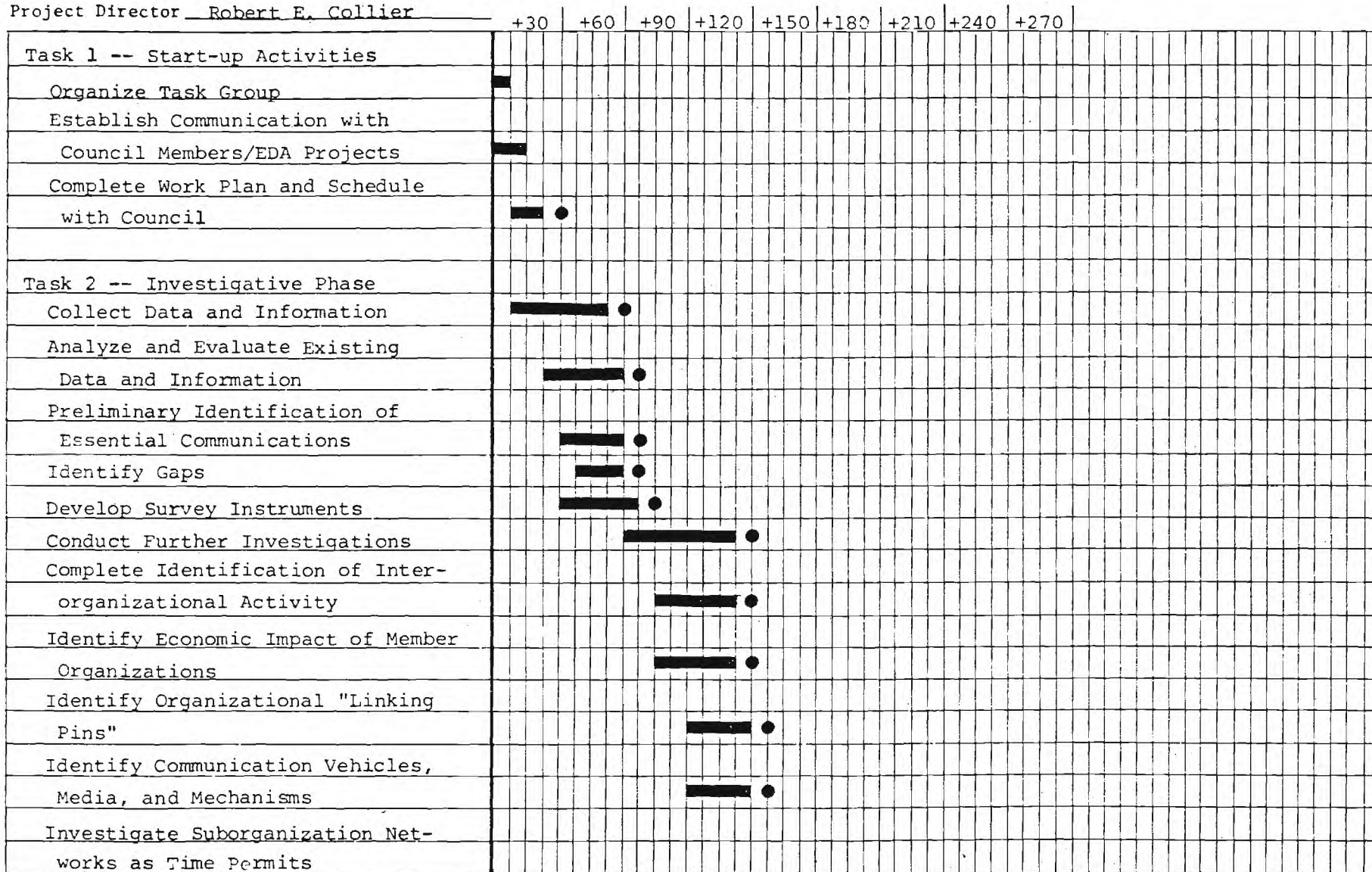
For further information, contact:

James Donovan/Sharon Sebaly
Publications and Information Office
311-313 Hinman Building
EES - Georgia Tech Campus
(404) 891 3105

Appendix D

PROJECT PLAN

Project No. A-1968
 Project Title Planning for the Interorganizational Networking
of a State Economic Development Council
 Project Director Robert E. Collier

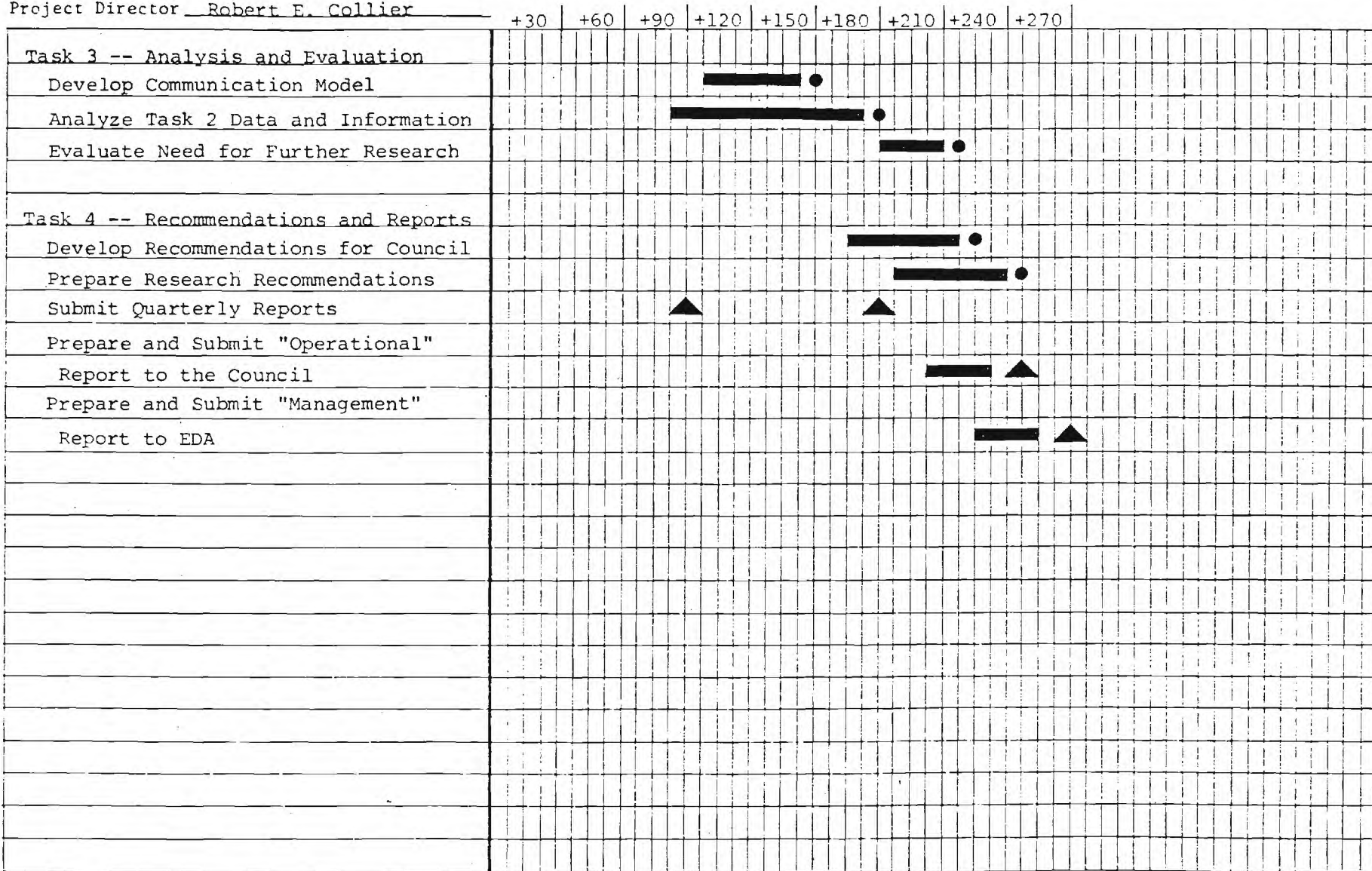
PROJECT PLAN**LEGEND**

Work Program: ■

Milestones: ●

Deliverables Due: ▲

Project Director Robert E. Collier



Deliverables Due: ▲

Appendix E

TENTATIVE REFERENCES

TENTATIVE REFERENCES

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Appendix F

ECONOMIC DEVELOPMENT COUNCIL OF GEORGIA
MEMBERSHIP LIST

ECONOMIC DEVELOPMENT COUNCIL OF GEORGIA

MEMBERSHIP LIST

Honorable Zell Miller (Chairman)
Lieutenant Governor of Georgia
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Atlanta, Georgia 30334

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Honorable William E. Lovett, Jr.
Chairman, Board of Commissioners
Laurens County Courthouse
Dublin, Georgia 31021
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Association County Commissioner
of Georgia
522-5022

Honorable Johnny Sheffield
Mayor of Americus
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Americus, Georgia 31709
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(912) 924-0331 (Office)

Georgia Municipal Association
688-0472

Commissioner W. Milton Folds
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Bureau of Industry and Trade

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Georgia Chamber of Commerce
524-8481

Mr. John W. Talley, Jr.
Georgia Power Company
Post Office Box 4545
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Georgia Industrial Developer's
Association

Mr. Carroll C. Underwood
Southwest Georgia Planning
and Development Commission
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Georgia Regional Executive
Director's Association

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Mr. Duane Grice
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Georgia Productivity Center
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Office of Planning and Budget

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Georgia Agribusiness Council, Inc.

Mr. Robert H. Evans
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Toccoa, Georgia 30577
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Georgia Chamber of Commerce
Executive Association

Mr. W. Cameron Mitchell
Hampton, Georgia 30228
946-4359

Citizen Member

Dr. Jack P. Nix (Ellis Bateman)
State Superintendent of Schools
12 Mitchell St., S.W.
Atlanta, Georgia 30334

State Superintendent of Schools

Appendix G

SAMPLE ORGANIZATION PROFILE

ORGANIZATION PROFILE

Name: Georgia Business and Industry Association, Inc.

EDC Representative: Gene Dyson, President

Purpose or Objective

The Georgia Business and Industry Association is a voluntary association of individuals, firms, companies, and corporations engaged in business for profit. Its purpose is mutual benefit through cooperation of its members in the programs designed to create and foster an economic climate in Georgia conducive to the growth and development of the state, its citizens and the business community. Specific objectives of the association are:

- o To draw the various segments of Georgia Business and Industry together and establish a close bond among them;
- o To promote and safeguard the interests of Georgia Business and Industry and present a unified position on matters of common concern;
- o To concentrate on problems and opportunities which can be more economically, systematically, and thoroughly handled when Georgia Business and Industry leaders pool their experience, know-how and ideas in a joint effort; and
- o To provide aggressive leadership and be a dynamic part of change by exerting worthwhile influence in advancing Georgia.

Activities

The association is structured and staffed to provide a variety of specialized services for its members who range in size from small service businesses to the major industrial employers of the state. Association activities include the following:

- o Provides the business community a continuous flow of information on Georgia legislation and administrative agencies so that employers can do a more effective job.

- o Maintains a good working relationship with officials at every level of government
- o Identifies statewide problems and challenges which are then studied so that realistic solutions can be offered
- o Supports sound, constructive, and progressive legislative programs which create a better business climate in Georgia
- o Maintains a day-to-day liaison with the leadership of every business activity in Georgia

Organizational Characteristics

- o Type Organization: Business Association
- o Authority: A non-profit corporation organized under the laws of the State of Georgia
- o Date Established: 1915
- o To Whom Organization is Accountable: GBIA Board of Governors
- o Type Administrative Staff: Full-time Professional Staff
- o Number of Paid Personnel: Eight
- o Amount of Annual Budget:
- o Sources of Funds: GBIA activities are supported primarily by membership dues

Operational Structure

The GBIA staff consists of the president, executive vice president, three vice presidents, and three administrative personnel. Special activities of the association are handled by six standing committees as follows:

- o Education
- o Employee benefits
- o Environmental affairs
- o Industrial relations
- o Industrial safety
- o Taxation

Ad hoc and special committees include:

- o Economic Advisory Council
- o Emory AMP Advisory Council
- o Georgia College Business Cabinet
- o Georgia Tech Business and Industry Advisory Council
- o Prison Industries Advisory Council
- o Public Relations Advisory Council
- o Southern Tech Advisory Council

Membership or Clientele

- o Type: Individuals, firms, companies, and corporations engaged in business pursuits including manufacturing, processing, fabrication, wholesaling, retailing, distributing, banking, utilities, professions, transportation and services
- o Number:

Media/Publications

- o Georgia Intellinger - The Intellinger is published monthly in an easy to read format and is designed to keep merchants up-to-date on GBIA activities and other matters of interest to the business community.
- o Georgia Legislative Bulletin - Published weekly during the annual session of the Georgia General Assembly, this bulletin reports on bills and resolutions that affect business and industry.
- o Federal Legislative Bulletin - This bi-monthly publication informs members of bills and resolutions introduced in the U. S. Congress which are of interest to business and industry.
- o Industrial Relations Bulletin - A monthly bulletin devoted to developments affecting employer-employee relations such as union elections, state and federal agency rules and regulations, court decisions, personnel practices, and other matters of interest to management.

- o Tax Bulletin - Existing and proposed taxes and changes in tax laws that affect employers are the subject of this periodic publication for members and their tax specialists.
- o Employee Benefits Bulletin - Useful information on workmen's compensation and unemployment compensation is reported, including proposed changes by the state or federal government and their respective administrative agencies.
- o Environmental Affairs Bulletin -GBIA members are kept informed about the growing complexities of air, land, and water resource utilization and applicable laws with this bulletin.
- o Safety Bulletin - The Safety Bulletin keeps members abreast of OSHA happenings and other matters dealing with industrial safety and health.
- o Education Bulletin - GBIA is actively involved in vocational-technical and higher education in Georgia. This bulletin reports on those educational programs of interest to employees.
- o Action Bulletin - Significant matters that require action on the part of the members of the Association are reported through Action Bulletins as required.
- o Surveys - Surveys and questionnaires are conducted as needed to properly monitor and represent the members' collective viewpoint. Results from the surveys are utilized in program evaluation, legislative appearances, and public relations activities.

Appendix H

PRIMARY ORGANIZATION - ACTIVITY MATRIX

Appendix H
PRIMARY ORGANIZATION - ACTIVITY MATRIX

DEVELOPMENT ACTIVITY	ORGANIZATIONAL INVOLVEMENT															
	GOVERNMENT AGENCIES				GOVERNMENTAL ASSOCIATIONS		EDUCATIONAL INSTITUTIONS		BUSINESS ASSOCIATIONS				PROFESSIONAL ASSOCIATIONS			
	STATE OFFICE OF PLANNING AND BUDGET	DEPARTMENT OF INDUSTRY AND TRADE	DEPARTMENT OF COMMUNITY AFFAIRS	STATE DEPARTMENT OF EDUCATION	GEORGIA MUNICIPAL ASSOCIATION	ASSOCIATION OF COUNTY COMMISSIONERS OF GEORGIA	ENGINEERING EXPERIMENT STATION, GT	INSTITUTE OF COMMUNITY AND AREA DEVELOPMENT, UG	GEORGIA CHAMBER OF COMMERCE	GEORGIA BUSINESS AND INDUSTRY ASSOCIATION	GEORGIA PRODUCTIVITY CENTER ADVISORY COMMITTEE	GEORGIA AGRIBUSINESS COUNCIL, INC.	GEORGIA CHAMBER OF COMMERCE EXECUTIVES ASSOCIATION	GEORGIA PLANNING ASSOCIATION	GEORGIA REGIONAL EXECUTIVE DIRECTORS' ASSOCIATION	GEORGIA INDUSTRIAL DEVELOPERS ASSOCIATION
ECONOMIC DEVELOPMENT POLICY																
Monitor																
Recommend																
Adopt																
DEVELOPMENT RESEARCH																
Needs Identification																
Applied Research																
Research Transfer																
DEVELOPMENT PLANNING																
Economic																
Social																
Physical																
PROGRAM IMPLEMENTATION																
Promotion and Marketing																
Program Funding																
Public Information																
Program Administration																
LEGISLATIVE LIAISON																
TECHNICAL ASSISTANCE																
PROGRAM EVALUATION																
EDUCATION AND TRAINING																

A-1868

Project A-1968

EDA Grant No. OER-577-G-77-22
(99-7-13384)

PLANNING FOR THE INTERORGANIZATIONAL
NETWORKING OF A STATE ECONOMIC DEVELOPMENT COUNCIL

A Project Sponsored by
Office of Economic Research
Economic Development Administration
U.S. Department of Commerce

QUARTERLY PROGRESS REPORT

June 10 - September 10, 1977

Report Prepared by
Robert E. Collier
Senior Research Scientist
Project Director

Technology and Development Laboratory
Economic Development Division
Engineering Experiment Station
Georgia Institute of Technology
September 1977

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Summary

The objective of the project is to facilitate and improve the cooperative interaction of members of the Economic Development Council of Georgia in the accomplishment of the duties of the Council. A collateral objective of the project is to provide the Economic Development Administration an information base upon which determinations can be made relative to the need for additional applied research to improve communications and organizational networking for processes and programs involved in economic development. The purpose of this report is to describe project activities undertaken during the reporting period and the results of those activities. The report consists of two major parts.

Part 1, "Council Activities," outlines the work undertaken by the Council during the period June 10 through September 10, 1977. During this period the Council continued its operations with emphasis placed on the activities of its task forces which were established during the preceding period. Two full meetings of Council members were held during the reporting period. Each task force held at least three working sessions, while the executive committee met several times to discuss administrative matters. The Project Director for this project attended all Council sessions and most of the task force work sessions.

The principal activities conducted by the Council during this period were undertaken by the several task forces. Information concerning the task forces is presented in this report.

Policy Implementation Task Force. This task force was established to develop methods and implement Council's policy recommendations at the state and local levels and in both the public and private sectors. The work program for this task force is to identify, encourage, and propose mechanisms to implement economic development policies at the state and local levels and in the public and private sectors of Georgia.

Energy Task Force. The Energy Task Force was established to focus on an issue of critical importance to economic development in Georgia -- energy. The task force is concerned with the impact of energy shortages in Georgia and is utilizing an established work plan to assist the Council in achieving

its objectives. The purpose of the Energy Task Force is to support, formulate as necessary, and advance energy policies which will have the greatest positive impact on long-run economic development in Georgia.

Natural Resources Management Task Force. This task force was established to focus Council activities on environmental constraints to growth. Such factors as water supply and quality, soil and sediment erosion, and aesthetic considerations are involved. The purpose of the task force is to formulate and advance policies which will enforce patterns of economic development and natural resource development in Georgia that are consistent with long-range values of environmental quality and protection.

Economic Research Task Force. The Economic Research Task Force was established to draw upon the professional capabilities of the University System of Georgia, governmental agencies, and other research agencies to help identify, analyze, and find solutions to economic development problems in Georgia.

These task forces met monthly during the period. Each task force will present a proposed program for the Council's consideration at the September meeting.

Part 2, "Project Progress," reports project activities undertaken during the period and project results to date. Essentially, the project is on schedule; however, scheduled interviews with representatives of member organizations have been rescheduled into the third period rather than the second period. This was the result of the need to complete organization profiles and to give members the maximum time to become involved with Council activities prior to being asked their opinions.

Some delay was experienced in getting adequate data on which to prepare the organization profiles. Also, time was consumed in having all profiles reviewed and approved by respective member organizations. However, preliminary analysis of the data contained in the profiles has been completed with respect to individual organizational characteristics and primary interorganizational activities. Interview instruments and schedules have been developed and tested. The objective of the interview phase is to validate information contained in the profiles and to amplify data in areas not specifically developed.

It is anticipated that information from the interviews will be available in mid-October and that the analytical process will be completed by mid-November. Project work is scheduled to be completed December 10, 1977, with the final report to be submitted within 45 days subsequent to the end of the work program.

PLANNING FOR THE INTERORGANIZATIONAL
NETWORKING OF A STATE ECONOMIC DEVELOPMENT COUNCIL

Part 1
COUNCIL ACTIVITIES

Background

The Quarterly Progress Report for the period March 10 through June 10, 1977 reported Council activities for the period October 19, 1976 through the project reporting period. That report outlined the Council's objectives, policy statement of operating objectives, and program of work. The objective of this section of the progress report is to review and summarize Council activities during this reporting period.

During the period June 10 through September 10, 1977, the Council continued its operations with emphasis placed on the activities of its task forces which were established during the preceding period. Two full meetings of Council members were held during the reporting period. Each task force held at least three working sessions, while the executive committee met several times to discuss administrative matters. The Project Director for this project attended all Council sessions and most of the task force work sessions.

The Council Executive Director, Mr. Arthur Sterngold, tendered his resignation in early June so that he could attend graduate school. He has not been replaced as of this date.

Task Force Activities

The principal activities conducted by the Council during this period were undertaken by the several task forces. The following information concerning the task forces is presented in this report and will be amplified in the final report.

Policy Implementation Task Force

This task force was established to develop methods and implement Council's policy recommendations at the state and local levels and in both the public and private sectors. The work program for this task force is as follows:

Purpose. The purpose of the Policy Implementation Task Force is to identify, encourage, and propose mechanisms to implement economic development policies at the state and local levels and in the public and private sectors of Georgia.

Objectives. Objectives of the Task Force are:

- o To work with other task forces and the full Council on developing specific strategies to implement their policy recommendations.
- o To assist the other task forces and the full Council in identifying relevant resource persons and materials.
- o To assist the other task forces and the full Council in coordinating their activities with other organizations that deal with similar economic development issues.
- o To communicate the Council's purpose, objectives, and activities to appropriate persons, organizations, and the public-at-large.
- o To promote greater public awareness and understanding of economic development problems and opportunities.
- o To generally recommend methods of implementing economic development policies.

Activities. Activities of the Task Force are to include the following:

- o To develop a public information strategy to publicize Council activities and economic development issues, through such means as press releases, newspaper columns, appearances on radio and television talk shows, and periodic economic development newsletters.
- o To develop a "fact kit" on the Council for distribution to Council members, the media, and other interested persons and organizations.
- o To develop a handbook of specific procedures for implementing economic development policies through State legislation, executive action, private sector involvement, state and local coordination, public education and support, and other means.
- o To inventory and develop profiles of economic development agencies and resources in Georgia.
- o To help develop methods of funding on-going Council activities and special Council projects.

Method of Approach. Task Force activities will be undertaken using the following methods of approach:

- o Coordinate and draw upon the expertise of other organizations in Georgia and elsewhere that are working on the same issues.
- o Gather, organize, and evaluate existing data and research.
- o Identify questions that need further study and encourage the necessary applied research.
- o Provide objective and critical overview of current plans, policies, and programs that deal with the issues.
- o Recommend concrete and practical policies.

Energy Task Force

The Energy Task Force was established to focus on an issue of critical importance to economic development in Georgia -- energy. The Task Force is concerned with the impact of energy shortages on Georgia and is utilizing the following work plan to assist the Council in achieving its objectives.

Purpose. The purpose of the Energy Task Force is to support, formulate as necessary, and advance energy policies which will have the greatest positive impact on long-run economic development in Georgia.

Objectives. Objectives set for the Task Force are:

- o To provide critical overview of proposed energy solution policies from the standpoint of their impact on economic development in Georgia.
- o To help organize, condense, and communicate information on energy issues and solutions in a manner which would be useful and readily comprehensible to public and private policy-makers, the economic development community, and the public-at-large.
- o To focus attention and encourage applied research on energy issues and proposed solutions that warrant further investigation.
- o To evaluate and make recommendations concerning the compatibility of industrial and tourism promotion practices in Georgia with realistic energy constraints.

- o To evaluate and make recommendations concerning continued economic growth in Georgia in light of long-run energy problems and competition from energy-rich states.

Activities. Activities of the Task Force are to include the following:

- o Gather and organize information about long-run energy supplies, considering such factors as conventional sources of supplies, new technologies and energy sources, and the effects of costs, government regulations, and legislation on long-run energy supplies.
- o Gather and organize information about long-run energy needs for economic development, considering such factors as existing economic activities, expansion of those activities, and the location of new operations in Georgia. Sectors to consider include manufacturing, trade, agriculture, transportation, and tourism.
- o Compare long-run energy supplies to needs and analyze the impact on economic development.
- o Identify policy solutions and State actions, and prepare recommendations for the Governor and General Assembly.

Method of Approach. An overriding principle of the Council is to coordinate closely its work with other agencies dealing with related issues and problems. These agencies include (1) the organizations represented in the Council, (2) other private and public agencies in Georgia not represented on the Council, (3) similar economic development councils and policy-making agencies in other states, and (4) federal and national agencies. The Energy Task Force's method of approach utilizes the foregoing principles and has identified the following types of agencies and organizations with which coordination will be established and maintained:

- o Utility companies
- o Public Service Commission
- o State Office of Energy Resources
- o Federal Energy Administration
- o Research organizations
- o Developers and energy users
- o Conservation groups
- o Gas and petroleum producers

Natural Resources Management Task Force

This task force was established to focus Council activities on environmental constraints to growth. Such factors as water supply and quality, soil and sediment erosion, and aesthetic considerations are involved.

Purpose. The purpose of the Natural Resources Management Task Force is to formulate and advance policies which will enforce patterns of economic development and natural resources development in Georgia that are consistent with long-run values of environmental quality and protection.

Objectives. Task Force objectives are:

- o To identify the state's existing economic development policies and programs, including unstated policies that are implicit in the program structure of functional agencies, and to evaluate those policies and programs in light of realistic economic conditions and trends.
- o To identify and review a selected number of issues of strategic importance to the future course of economic development in Georgia, and to make concrete policy recommendations to help resolve these issues.

Activities. Task Force activities are to include the following:

- o Identify natural resources that have long-term value for both economic development and environmental quality.
 - . Define and describe the resource(s) to the extent possible, including the location, quality, size, current use, ownership, and vulnerability.
 - . Define the long-term economic development and environmental quality value(s) associated with each resource.
- o Identify and assess the influence of the public sector's current efforts on the use and/or protection of the resources of long-term value.
 - . Collect, review, and analyze current laws, policies, regulations, practices, administrative procedures, and intergovernmental arrangements.
 - . Interview state agency officials.
- o Conceptualize and recommend policies that will encourage patterns of economic development and natural resources development consistent with long-term values.

- . Policies should relate to the development, use, preservation, and/or protection of the resources within a standard resource definition.
- . Policies should be clear and specific so as to direct actions of public and private decision makers.
- o Identify alternative implementation mechanisms and other actions necessary to carry out the policies.
- o Conduct joint meeting with Policy Implementation Task Force to present and explain policies and alternative implementation actions for their analysis, review, and recommendations.

Method of Approach. Task Force activities will be undertaken using the following methods of approach:

- o Draw upon professional capabilities in the State University System, government agencies, and other research organizations to help identify, analyze, and find solutions to economic development problems in Georgia.
- o Identify, encourage, and promote mechanisms to implement economic development policies in Georgia at the state and local levels and in the public and private sectors.
- o Review, integrate, and communicate the viewpoint of the broad economic development community in Georgia on important economic development issues.
- o Serve as a public forum to listen to citizen input regarding economic development in Georgia, to exchange ideas, and to explore economic choices and alternatives for Georgia.

Economic Research Task Force

The Economic Research Task Force was established to draw upon the professional capabilities of the University System of Georgia, governmental agencies, and other research agencies to help identify, analyze, and find solutions to economic development problems in Georgia.

Purpose and Objectives. The purpose and objectives of the Task Force are, first, to identify emerging situations apt to aid or to impede economic development in Georgia; second, to propose means for activating the discovered potentials

or for limiting, overcoming, or even removing known obstacles; and, third, to assess the practicability of proposed actions in the current institutional environment.

Activities. Activities of the Task Force may include the following investigative actions:

- o Review of emerging aids and obstacles.
- o Selection of the aid or obstacle "most worthy" of analysis
- o Analysis and assessment of the ranking factor by "expert opinion."
- o Presentation of the analyzed factor to the Council.
- o Incorporation of reactions and follow-up study of the factor.
- o A full report of the nature and significance of the ranking aid or obstacle.
- o Proposals for activating the discovered potential or overcoming the obstacle.
- o Selection of a "best" action.
- o Analysis of the "best" action by "experts."
- o Presentation of the analyzed action to the Council.
- o Incorporation of reactions and follow-up study of the action.
- o A report of the aid or obstacle, the action suggested, and of a test for the latter's practicability.
- o Formalization and presentation of findings to the Council. Identification of a new aid or obstacle to economic development.

Method of Approach. The method of approach to be used by the Task Force involves the following:

- o To work with economic modellers and analysts in the University System to translate their research into a form that can be used by state decision makers as a basis for more rational policy decisions.
- o To serve as an economic "early warning system" to identify emerging economic issues and crises.
- o To encourage applied research in the University System and other research organizations on important economic issues facing the State.

Summary of Task Forces Activities

The several task forces met at monthly intervals during this reporting period. Each task force prepared an action program to be presented at the September meeting of the Council. These programs will be described in a following progress report.

As noted above, the Policy Implementation Task Force was established to identify, encourage, and propose mechanisms at the state and local levels and in the public and private sectors to implement Council activities and policies. In addition to developing an implementation program, this Task Force also accomplished the following:

- o The Task Force identified some 55 organizations with statewide interests that might be attracted to the activities of the Council. As indicated in Appendix A, these organizations were informed of the Council's existence and were invited to establish a relationship with the Council.
- o The Task Force made a recommendation to the chairman that the Council become involved in developing material for input into the White House Conference on National Growth Policy and Economic Development to be held in Washington in late January 1978.

Part 2
PROJECT PROGRESS

Objective

The objective of the project is to facilitate and improve the cooperative interaction of members of the Economic Development Council of Georgia (EDC) in the accomplishment of the duties of the Council. A collateral objective of the project is to provide the Economic Development Administration an information base upon which determinations can be made relative to the need for additional applied research to improve communications and organizational networking of processes and programs involved in economic development.

Review of Activities Previously Reported

The following activities were undertaken during the period March 10 through June 10, 1977:

Start-up Activities and Liaison. All start-up operations were completed during the first quarter and preliminary investigations were initiated. The project director established and maintained close and continuing liaison with Arthur Sterngold, the Council's Executive Director. The project director attended all full Council meetings and most of the work sessions of the task forces described in Part 1. Liaison was maintained with Russell Calwell and Robert Cassell, who are performing related EDA projects.

Literature Search. Efforts were undertaken prior to the initiation of the project to identify and collect relevant research findings so that the project could be undertaken on a sound theoretical basis. A collection of pertinent reference materials relating to the project was made and is being utilized in project research.

Methodology. The principal objective of the project is to facilitate and improve the cooperative interaction of Council members in the accomplishment of the duties of the Council. It was determined that the methodology to be employed in project research should have the following general characteristics:

- o Project methodology should be as simple as possible.

- o Project research should not be accomplished in isolation but should involve Council leadership and the membership whenever possible.
- o Research findings and/or suggestions for improvement in inter-organizational functioning of Council members should be furnished, to the Council, as they become available so that the Council could consider their use and interorganizational relationships.

Organizational Profiles. The first survey instrument to be developed was the organization profile. This document was designed to contain the following types of information:

- o Organization Name
- o EDC Representative
- o Purpose or Objective
- o Activities
- o Organizational Characteristics
- o Operational Structure
- o Membership or Clientele

Preliminary analysis of information and studies obtained from member organizations confirmed the fact that all member organizations are involved in economic development. However, the intensity of economic development activities and interrelationships among member organizations could not be determined until further research was completed.

Second Period Work Program

The initial project work program scheduled certain activities to be undertaken for the first and second periods. For example, it was planned that all investigative work would be completed by the end of the second quarter. Due in part to the diversity of the Council, the accumulation and analysis of the data needed for the organization profiles proved to be more time consuming than originally anticipated. Because the profiles were designed to furnish the basic information source, the interview stage had to be deferred until the profiles were completed.

Work scheduled for the second period, which was essentially of an analytical nature, was as follows:

- o Conduct further investigations as required.
- o Complete the identification of the essential types of interorganizational activity of each member with respect to the organization's mission, policy, and function in the economic development field.
- o Identify present measures, if any, that member organizations are utilizing in the assessment of the economic impact of their activities in the field of economic development.
- o Identify specific communication points within member organizations which serve as "linking pins" with other organizations or individuals in the conduct of economic development operations.
- o Identify communication vehicles, media, and control mechanisms utilized by member organizations when involved in interacting with other member organizations.

The following work was accomplished during the reporting period:

- o Organization profiles for member organizations were completed with the exception of the profile for one organization that did not supply requested data. Copies of the profiles were supplied Council members as a part of the effort to assist the Council during its formulative period. A set of the profiles was also furnished the sponsor.
- o Based on information contained in the profiles, preliminary description of the characteristics of each member organization was prepared as a basis for initial investigation of the type of interorganizational activity in which each member organization was involved with respect to the Council's activities. Also, some communication points within each organization were identified and some of their media and communications were identified.
- o Interview instruments were prepared and tested. (See Appendix B.) These instruments were designed to validate and further develop information gained during the preparation of the profiles and to gain information and data which could not be obtained through the profile development phase. Specifically, these instruments will be used to accomplish the following:

- . To validate and amplify information concerning the essential types of organizational and interorganizational activity associated with the mission, policy, and function of each organizational element represented on the Council with respect to economic development.
 - . To validate and amplify information concerning specific communication points within member organizations, communication media, and existing communication networks currently utilized by member organizations in their conduct activities with other member organizations.
 - . To identify present measures member organizations are using to identify the economic impact of their activities in the field of economic development.
 - . To gain some qualitative information concerning member attitudes toward the cooperative interaction of their organization with other EDC member organizations and with the Council itself.
- o The project director has attended all full meetings of the Council and most of the task force meetings. Also, the project director has maintained liaison with other individuals who are involved with related EDA projects.
 - o Drafting of the final report has been undertaken in those areas where data are available and complete.

Problem Areas

Although Council operations seem to be somewhat slowed by the departure of the Executive Director, the several task forces have continued work in assigned areas. Since the Council is a confederation of separate, independent organizations and the Council has not fully developed its operating procedures, it generally takes longer than expected to get information needed for project analysis. However, no problems have been identified that appear to be detrimental to the successful completion of the project.

Third Period Projected Work Program

It is anticipated that all project work required to complete the interviews will be accomplished early in the period. Subsequently, tasks 3 and 4 of the work plan will be completed; this involves the following:

Task 3 - Analysis and Evaluation

- o Develop a nonquantitative, explanatory model illustrating the communication channels and networks currently utilized by member organizations for interorganizational networking with other member organizations in matters relating to economic development.
- o Analyze and evaluate information and data collected in Task 2 with respect to its usefulness in planning for operations of the Economic Development Council.
- o Analyze and evaluate data and information to determine the need for further research in the field of economic development with respect to communications and networking.

Task 4 - Development of Recommendations and Reports

- o Develop recommendations of measures that may be undertaken by the Council to improve the functioning of communication networks within and among member organizations.
- o Develop recommendations concerning additional applied research needed to improve communication and organizational networking of the processes and programs involved in economic development.
- o Prepare required reports.

Appendix A

SAMPLE LETTER TO GEORGIA ORGANIZATIONS
CONCERNING THE ECONOMIC DEVELOPMENT COUNCIL

ECONOMIC DEVELOPMENT COUNCIL
OF GEORGIA
603 W. Peachtree St., Suite 1501, Atlanta, Georgia 30308
(404) 894-3623

Honorable Zell Miller, Chairman
Lieutenant Governor of Georgia

Mr. Gene Dyson, Vice Chairman
Georgia Business and Industry Association

Mr. Arthur Sterngold
Executive Director

July 27, 1977

Mr. Roger T. Lane
Executive Vice President
Georgia Pharmaceutical Association
One LaVista Perimeter Office Park
Suite 108
Tucker, Georgia 30084

Dear Mr. Lane:

Your Association and its members have a vital interest in the present and future economic activity in Georgia. Thus, we would like you to know something of the Economic Development Council of Georgia.

Created by the Georgia General Assembly, the twenty member Council, appointed by Governor George Busbee from recommendations made by economic development organizations named in the Legislation, is chaired by Lieutenant Governor Zell Miller. It is charged with studying future economic development possibilities and investigating possible barriers to full realization of whatever level of economic activity the State desires to reach.

At this time, our work is being carried out by four task forces: Energy, Economic Research, Natural Resource Management and Policy Implementation. We are sure you or some of your members have some special insight into problems or opportunities in the above areas of interest. We would like to take advantage of that. Just address them to the Economic Development Council of Georgia, Lieutenant Governor's Office, 418 State Capitol, Atlanta, Georgia 30334.

Perhaps another good way for you and your members to keep up with the Council, and the Council to be aware of the concerns of your membership, is to exchange publications. Would you please put the Council on your mailing list? Your Association is being added to the Council Newsletter mailing list. Publication will begin in a few weeks. You are encouraged to use material from the Council publication in your own as you see fit.

Mr. Roger Lane
July 27, 1977
Page 2

If you feel your membership might be interested in a specific discussion of the Council and its work, contact the Lieutenant Governor's office. Arrangements can probably be made to provide a speaker for meetings you might be having.

Sincerely,

Carroll C. Underwood
Chairman
Policy Implementation Task Force

Mr. Jack K. Agree
Executive Secretary
Georgia School Boards Association
Sheraton-Biltmore Hotel Mezzanine
817 W. Peachtree Street, N.E.
Atlanta, Georgia 30383

Ms. Frances F. Allen
Executive Secretary
Georgia LP Gas Association
2996 Grandview Avenue, N.E.
Atlanta, Georgia 30305

Mr. Joe W. Andrews
President
Southern Association Services
P. O. Box 801
Macon, Georgia 31202

Mr. Troy A. Athon
Executive Director
Georgia Nursing Home Association
3250 Memorial Drive
Decatur, Georgia 30032

Mr. Dennis J. F. Beall
Consultant
Independent Bankers Association of Georgia
P. O. Box 53N
Macon, Georgia 31208

Ms. Bette E. Belvin
Executive Vice President
Georgia Association of Realtors
1510 Atlanta Federal Savings Building
Atlanta, Georgia 30303

Mr. Robert C. Bock
Executive Director
Georgia Association of
Independent Insurance Agents
P. O. Box 7870
Atlanta, Georgia 30309

Mr. Benton H. Box
Executive Vice President
Southern Forest Institute
1 Corporate Square
Atlanta, Georgia 30329

Ms. Eve Brandon
Executive Assistant
Georgia Association of Broadcasters
6065 Roswell Road
Suite 815
Atlanta, Georgia 30328

Mr. Harrison W. Bray
Executive Vice President
Georgia Oilmen's Association
3300 NE Expressway
Suite 8-P
Atlanta, Georgia 30341

Mr. Harvey R. Brown
Executive Director
Consulting Engineers Council of Georgia
210 Bona Allen Building
133 Luckie Street, N.W.
Atlanta, Georgia 30303

Mr. N. Seldon Brown
Executive Director
Georgia Hospital Association
92 Piedmont Avenue, N.E.
Atlanta, Georgia 30303

Mr. Sam F. Burke
Executive Secretary
Georgia High School Association
Post Office Box 71
Thomaston, Georgia 30286

Mr. John F. Chambless
Executive Director
Georgia Branch
Associated Gen'l. Contractors
of America, Inc.
147 Harris Street, N.W.
Atlanta, Georgia 30313

Mr. James A. Cody
Executive Director
Georgia Sheriff's Association
Post Office Box 100
Hahira, Georgia 31632

Mrs. Eder Coody
Georgia Vocational Association
1242 Wild Creek Tr., N.E.
Atlanta, Georgia 30324

Mr. Irwin G. Howell
Assistant Division Manager
National Association of Manufacturers
1421 Peachtree Street, N.E.
Suite 201
Atlanta, Georgia 30309

Mr. Robert N. Howell
Executive Secretary
Georgia Egg Commission
16 Forest Parkway
Forest Park, Georgia 30050

Mr. James W. Hurst
Executive Vice President
Atlanta Convention and
Visitors Bureau
229 Peachtree Street, N.W.
Suite 1414
Atlanta, Georgia 30303

Mr. James L. Hutto
Executive Director
Georgia Highway Contractors Association
1102 Valley Forge Building
92 Luckie Street, N.W.
Atlanta, Georgia 30303

Mr. C. Harold Joiner
Executive Director
Georgia Forestry Association
1204 Carnegie Building
Atlanta, Georgia 30303

Mr. Dupree Jordan, Jr.
Executive Director
Association of Private Colleges
& Universities in Georgia
3960 Peachtree Road, N.E.
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Atlanta, Georgia 30319

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Appendix B

INTERVIEW SCHEDULE

INTERVIEW SCHEDULE

Part I: Primary Organizational/Interorganizational Activity

Purpose: To identify essential types of organizational and inter-organizational activity associated with the mission policy, and function of each organizational element represented on the Council with respect to economic development.

Methodology: Based on initial information contained in the organization profile, conduct interviews with organizational representatives or administrator using Interview Form #1.

Part II: Publications, Media and Communication Networks

Purpose: To identify specific communication points within member organizations, communication media, and existing communications networks currently used by member organizations in their contacts with other member organizations.

Methodology: Based on information contained in organizational profiles, conduct interviews using Interview Forms #2, 3, and 4.

Part III: Evaluation Practices

Purpose: To identify present measures member organizations are using to identify the economic impact of their activities in the field of economic development.

Methodology: Use Interview Form #5.

Part IV: Assessment of Member Attitudes Towards the Council

Purpose: To gain some qualitative information concerning member attitudes towards the cooperative interaction of their organization with other EDC member organizations.

Methodology: Use Interview Form #6.

SURVEY

(Date)

-23-

NATURE OF INVOLVEMENT

R - Routine Activity

Organizational or interorganizational activity carried out as a matter of routine business or operations in compliance with law, organizational rules or by-laws, or organizational policy. Frequency of activity may depend on the nature of the activity conducted, its importance to the organization(s), the size and number of organizational units involved, and the specific interests of those involved. Frequency may be measured as follows:

- R-1 Daily
- R-2 Weekly
- R-3 Monthly
- R-4 Infrequent

NR - Non-Routine Activity

Organizational or interorganizational activity occurs from time-to-time due to unforeseen circumstances and not in the usual order of business. Although action is not required by law, organizational by-laws, or policy, a prior rational decision has been made for involvement under circumstance prescribed in organizational standing operating procedures.

E - Exceptional Activity

Organizational or interorganizational activity that occurs so infrequently and is of a nature that requires a specific management decision prior to organizational involvement in the activity.

COMMUNICATION POINTS

BY

FACTORS AND SECTORS

FACTORS/SECTORS	NAME	POSITION	TELEPHONE
Natural Resources			
Physical Resources			
Human Resources			
Industry			
Agriculture			
Service			
Tourism			
Forestry			
Fishing			
Distribution			
General Business less Distribution			

COMMUNICATION POINTS

BY

ACTIVITIES

ACTIVITY	NAME	POSITION	TELEPHONE
ECONOMIC DEVELOPMENT POLICY			
Monitor			
Recommend			
Adopt			
DEVELOPMENT RESEARCH			
Needs Identification			
Applied Research			
Research Transfer			
DEVELOPMENT PLANNING			
Economic			
Social			
Physical			
PROGRAM IMPLEMENTATION			
Promotion and Marketing			
Program Funding			
Public Information			
Program Administration			
LEGISLATIVE LIAISON			
TECHNICAL ASSISTANCE			
PROGRAM EVALUATION			
EDUCATION AND TRAINING			

MEMBERSHIP MEDIA/PUBLICATIONS

Current Publications (From Profiles)

Other EDC Members on Your Mailing List

What Publications Do You Receive From Other EDC Members

INTERAGENCY/INTERORGANIZATIONAL BOARDS & COMMITTEES

List

EVALUATION PRACTICES

Please indicate your views about the importance of different types of evaluation to your organization; please use the following codes:

- 1 - Of utmost importance
- 2 - Of some importance
- 3 - Of insignificance importance

<u>Importance Score</u>	<u>Is This A Current Activity</u>		
	<u>Yes</u>	<u>No</u>	
_____	_____	_____	Evaluation of the impact of policies on economic development in the state
_____	_____	_____	Evaluation of the quality and quantity of economic research and its impact on economic development in the state
_____	_____	_____	Evaluation of planning and its impact on economic development in the state
_____	_____	_____	Evaluation of agency/organization economic development activities by organization to whom they are responsible
_____	_____	_____	Evaluation of economic development in the state in terms of jobs, associated income, quality of life, etc.
_____	_____	_____	Evaluation of agency/organization activities in terms of cost, quality of staff, record keeping, etc.
_____	_____	_____	Other (Please Specify)

Please indicate whether you believe the following statements are true or false.

- T_____ F_____ Evaluations can be a helpful source of information needed to strengthen weak programs and terminate those which are not fulfilling their intended objectives.
- T_____ F_____ Evaluation often emphasizes what's "wrong" and skips over what's right about programs.
- T_____ F_____ Evaluation can be very dangerous, because results are often misinterpreted by the press, legislature, and others.
- T_____ F_____ Evaluation is often conducted by individuals who have little or no understanding of what our agency is trying to accomplish.

Which of the following statements best characterize the extent to which your organization carries out evaluation of its activities? (Check one box only)

- _____ Never formally evaluates any of its activities.
- _____ Tried an evaluation once or twice but doesn't do it regularly.
- _____ Evaluation is done from time to time and will continue.
- _____ Evaluation is an ongoing activity in the organization, with an evaluation office existing as a major functional area.

ASSESSMENT OF MEMBER ATTITUDES TOWARDS THE COUNCIL

o Cooperation within an interorganizational council such as the Georgia Economic Development Council is often limited when each organization defines the Council's goals in terms of its own programs.

Question: Do you feel that the Council goals as presently written conflict with the goals and programs of your agency.

_____ No
_____ Somewhat
_____ Very Much

Question: Do you feel that the council goals are:

_____ Very Clear
_____ Somewhat Clear
_____ Somewhat Unclear
_____ Very Unclear

o One of the major problems in planning for cooperative programs is how to make concerted decision making attractive to administrators. Researchers suggest that benefits associated with committee activity are an important factor in attracting participation by member organizations.

Question: Has your organization received any of the following benefits as a result of your participation in the Economic Development Council of Georgia? If so, how important do you feel these benefits are to your organization?

Importance Rating

- 1 - Very Important
- 2 - Important
- 3 - Somewhat Important
- 4 - Not Important

physical resources, and human resources. These resource areas, in turn, involve a series of economic sectors in which particular economic development programs may be designed and implemented.

A second category, which is of a sectorial nature, was identified to permit the study of discrete economic development processes and programs. Each economic sector relates to one or more of the resource areas described above. These sectors are industry, agriculture (agribusiness), service, tourism, forestry, fishing, distribution, general business, government services, and schools and vocational training.

A third category permitted the study of activities which organizations undertook to accomplish processes and programs. These activities included policy, research, planning, program implementation, legislative liaison, education and training, program evaluation, and technical assistance.

To gain some measure of the magnitude of organizational involvement in economic development, three types of interactions were used. Routine activity indicated that the organization was involved in a particular economic development category or activity at least on a monthly basis. Nonroutine involvement was defined as infrequent activity but within the scope of the mission. Exceptional activity was defined as that activity which was beyond the normal role of the organization, but a role that the organization would consider undertaking on an exceptional basis.

Member Participation in Economic Development

In the broad areas of natural, human, and physical resources, it was found that only one organization participates in all resource areas on a routine basis. The Georgia Planning Association reported that it usually participated in the broad planning areas rather than the more limited economic sectors. Because all economic sectors are related to one or more of the broad resource areas, most member organizations also have an interest in the areas as they related to their sectors of interest. However, it is noted that several state agencies which appear to be comprehensively involved in these resource areas are not represented on the Council.

Of the organizations reporting on participation in particular economic sectors, seven organizations indicated that they participated routinely in two sectors or less, five participated in three to five sectors, and one

participated in six sectors. No administrator reported that his organization participated on a routine basis in all 10 sectors. It was found that none of the member organizations participate on a routine basis in the fishing and forestry sectors. Based on available data, it is concluded that member organizations are generally participating in a narrow range of economic development sectors, and that no single organization exercises a comprehensive overview of the economic development field.

Eight major development activities were reported on by member organizations. With 15 organizations reporting on the eight major items, the possibility exists that there could be 120 possible types of involvement. The survey indicated that there were 105 involvements or over 87% involvement by the 15 organizations in the eight activities. Because the staff size of member organizations ranges from zero paid staff to over 1,500 employees, the foregoing findings raise a question as to the nature and intensity of member organization in specific development activities. It is concluded that data available for the assessment of member organization participation in specific development activities are not sufficiently accurate and comprehensive enough for an actual assessment of the level of participation of organizations in the several activities.

With respect to economic impact evaluation, it was found that member organizations do not appear to be opposed to evaluation in general and do conduct evaluations of their own operations and programs. However, the data to date do not provide sufficient information to make judgments concerning the value of such evaluations to Council operations. No evidence was found that the evaluations conducted by member organizations are utilized or can be utilized in the evaluation of activities of the economic development community. Nor is there any evidence that evaluation criteria and measurement units have any common basis among development organizations.

Interorganizational Relations Among Council Members

An essential task of this project was to identify existing communication networks currently employed by member organizations in their relationships with other Council members. The communication networking aspect of the project included not only the communication channels but communication points within organizations, communication vehicles, media, and control mechanisms.

Each organizational administrator was asked to indicate which organizations his organization communicated with, together with the frequency of such communication. No effort was made to determine the nature of such communication other than to ascertain that it pertained directly to the organization's principal involvement in economic development.

The actual or potential channels linking individual Council member organizations consist of 210 one-way channels or 105 two-way channels. Investigation indicates that administrators agree that 38 of the two-way channels are in use at either a routine or a nonroutine level of interaction. It also was agreed that some 13 two-way channels are not currently in use or are being used only occasionally. However, it was found that there is disagreement among administrators relative to the level of use of the remaining 54 two-way channels.

It was found that written correspondence, telephone communication, and personal meetings between individuals are considered to be very important communication vehicles used by Council members. Such vehicles are used primarily for interaction between organizations, however, rather than in interorganizational relationships of the Council. The newsletters, reports, and other documents published by member organizations offer the Council an existing capability that can be used in further developing the interorganizational networking of the Council. However, the extent to which such publications are presently being used by member organizations and their clientele is not fully understood.

Investigation revealed that a relatively large and complex system provides for information flows between and among Council member organizations. For the most part, the existing "networks" and communication channels serve the needs of individual organizations, but do not necessarily link groups of organizations together in any systematic fashion. So far as is known, the Council has not developed a formal communication system for its own use, but rather has communicated with individuals and groups on an informal, as-needed basis.

Summary of Findings

- o Member organizations tend to participate in discrete economic development sectors which are components of broader resource areas rather than in the broad areas.

- o Member organizations tend to participate in a relatively narrow range of economic development sectors; no individual organization participants in all sectors on a routine basis.
- o Member organizations do not participate in the forestry and fishing sectors on a routine basis; however, four organizations were involved in these sectors on a nonroutine basis.
- o Eighty-seven percent of the membership reported routine participation in all eight of the development activities concerned with the economic sectors; however, the findings of the investigation are not sufficient to provide a reliable assessment of the relative level of involvement in the several activities among the members.
- o Evaluation of program impacts on economic growth is being conducted by member organizations on an organizational basis; however, such evaluations do not appear to be used extensively in interorganizational program development, management, and improvement.
- o Communication channels and networks are operational between and among member organizations on a broad scale; however, there are differences in perceptions among organizational administrators concerning the utilization of such networks and channels.
- o Member organizations are publishing a variety of newsletters, reports, and other informational documents which appear to offer potential benefits to the Council at large as well as individual members. However, the nature of distribution and utilization of such media and publications among Council members is not fully understood.

Conclusions

The findings of this study confirm the lack of a comprehensive approach to economic development and emphasizes the importance of interorganizational communication in addressing problems of growth and development and the significant contribution an interorganizationally oriented organization such as the Council can make.

Based on investigative results contained in this report, it is concluded that the "council mechanism" inherent in the Economic Development Council of Georgia offers a viable approach through which intergovernmental/

interorganizational relationships can be improved throughout the economic development community of interests.

Member organizations and their clientele provide an open system which, if oriented towards cooperative interactive processes, can have a profound impact on economic development. It is concluded, therefore, that member organizations offer the Council a mechanism and capability through which it can develop a plan for the interorganizational networking of economic development processes, activities, and programs on a statewide basis.

Based on findings contained in this report, it is concluded that if a council "mechanism" is to be effectively used in economic development, additional research-based information must be made available to those who are involved in the functioning of such council-oriented operations.

The enabling legislation provided for the establishment of a formal organization that is not authorized to exercise any powers derived from the State. Member organizations serve different clientele, exercise varied responsibilities, and operate under varying management structures. The enabling legislation did not provide funding for staff or routine operating expenses of the Council. It is concluded, therefore, that success or failure of the Council to achieve its goals will depend on the cooperative interaction among Council members who are employees of member organizations associated with the Council.

Although this investigation has been focused on organizations concerned with economic development in only one state, the assumption that comparable organizations are functioning in each of the other states appear to be valid. It also appears to be reasonably valid that these organizations are involved in economic areas, sectors, and activities that have been described and investigated in this project. However, the nature of organizational participation in economic development and the interorganizational networking in such processes are not known. It is concluded that a full understanding at the national level of interorganizational processes in the various states is necessary if national economic programs concerned with subnational economic development are to be effective.

Finally, the principle of participatory exchange emerges from this study as an approach through which diverse organizations (public, private, and advocacy) can be joined by mutual consent to work efficiently, effectively, and

private sector in the matter of economic development processes and programs. Specifically, it is recommended that:

- o Applied research be undertaken to broaden the base of interorganizational relations knowledge as it applies in the field of economic development.
- o Individual economic development programs sponsored by the Economic Development Administration require that the method of approach or work program for each project include provisions that will insure that interorganizational relations are given due consideration in both project development and implementation.
- o Investigations initiated by the current project with the Economic Development Council of Georgia be continued with emphasis placed on interorganizational relations applications in specific economic development sectors.
- o A project at the Federal region level be initiated to survey economic development interorganizational practices throughout the region with emphasis placed on the interaction between organizations and agencies that are involved in interstate and regional aspects of economic development.
- o A project be undertaken to test the feasibility of using the principle of participatory exchange in the field of interorganizational relations. Specifically, it is recommended that such a project consider the matter of the assembly of "investment packages" by diverse organizations in geographical areas which emphasize urban-rural balance.

economically on publicly mandated goals. It is concluded that a strategy involving the principle of participatory exchange offers the possibility of an approach that can bridge gaps between organizations which will permit communication, efficiency, and autonomy to survive intact.

Recommendations

It is recommended that the Economic Development Council review the data, information, findings, and conclusions contained in this study with the objective of improving the cooperative interaction among Council member organizations on matters pertaining to economic development in the state of Georgia. Specifically, it is recommended that:

- o The Council reexamine its policies and organization to determine if its objectives can be accomplished by an organization with little or no formal authority or resources to direct the program activities.
- o The Council establish communication networks that will be responsive to its needs.
- o The Council develop methods for utilizing the member organizations' media/publications resources in Council programs.
- o The Council undertake studies relating to evaluation processes and programs used by member organizations with the objective of using evaluation results, where feasible, in Council program development and activities.
- o The Council formulate and conduct educational programs for its membership and for others in interorganizational relationships as they pertain to economic development processes and programs.

It is recommended that Council member organizations, on an individual basis, review their interorganizational processes and activities. Based on findings of such reviews and on the data and information contained in this report, it is further recommended that each organizational project, activity, or program that requires cooperative interaction with other member organizations be provided a plan for interorganizational relations development and implementation.

It is recommended that the Economic Development Administration give full recognition to the need for improved interorganizational relations among development organizations, governments, governmental agencies, advocacy groups, and the

Enclosure 2

PLANNING FOR THE INTERORGANIZATIONAL NETWORKING
OF A STATE ECONOMIC DEVELOPMENT COUNCILSignificant Conclusions

Neither the United States nor the State of Georgia has a centralized, comprehensive economic plan and program administered by a hierarchy of governmental organizations operating within an authoritative system. Rather, the economic activity of the state and nation is conducted by a "conglomeration" of governments, public agencies, private enterprises, and advocacy organizations. Few, if any, lines of authority systematically link these organizations together for the orderly accomplishment of economic activity. Also, it appears that the establishment of good and continuing relationships and communication networks among and between development organizations is left largely to chance.

It seems that three options are open to state and national governments with respect to processes for economic development. First, the traditional mode can be utilized in which economic development processes and programs are accomplished by autonomous individuals, organizations, and governments, with little or no cooperative interaction, centralized coordination, or direction. Second, national and state economic planning programs can be developed, implemented, and administered through an authoritative formal set of governmental and quasi-governmental agencies and institutions. Third, individuals, agencies, and organizations can be encouraged to interact in a cooperative manner in the formulation and implementation of comprehensive economic development programs. The State of Georgia recently elected to follow the latter participatory course of action through the establishment of an Economic Development Council.

The legislation creating the Council identified the 16 organizations providing representation of the Council as organizations involved in various aspects of economic development. Council membership includes government agencies, governmental organizations, educational institutions, business associations, and professional associations. The enabling legislation provided for the establishment of a formal organization that is not authorized to exercise any powers derived from the State. Member organizations serve different clientele, exercise varied responsibilities, and operate under varying management structures. It is concluded, therefore, that success or failure of the Council to achieve its goals will depend on the cooperative interaction among Council members who are employees of member organizations associated with the Council.

Member organizations and their clientele provide an open system which, if oriented towards cooperative interactive processes, can have a profound impact on economic development. It is concluded, therefore, that member organizations offer the Council a mechanism and capability through which it can develop a plan for the interorganizational networking of economic development processes, activities, and programs on a statewide basis.

Although project investigation has been focused on organizations concerned with economic development in only one state, the assumption that comparable organizations are functioning in each of the other states appear to be valid. It also appears to be reasonably valid that these organizations are involved in economic areas, sectors, and activities that have been described and investigated in the project. However, the nature of organizational participation in economic development and the interorganizational networking in such processes are not fully understood. It is concluded that a full understanding at the national level of interorganizational processes in the various states is necessary if national economic programs concerned with subnational economic development are to be effective.

Finally, the principle of participatory exchange emerges from the project study as an approach through which diverse organizations (public, private, and advocacy) can be joined by mutual consent to work efficiently, effectively, and economically on publicly mandated goals. It is concluded that a strategy involving the principle of participatory exchange offers the possibility of an approach that can bridge gaps between organizations which will permit communication, efficiency, and autonomy to survive intact.

It is recommended that the Economic Development Administration give full recognition to the need for improved interorganizational relations among development organizations, governments, governmental agencies, advocacy groups, and the private sector in the matter of economic development processes and programs. Specifically, it is recommended that a project be undertaken to test the feasibility of using the principle of participatory exchange in the field of interorganizational relations. Such a project should consider the matter of the assembly of "investment packages" by diverse organizations in geographical areas which emphasize urban-rural balance.

Enclosure 3

Appendix C

INTERORGANIZATIONAL RELATIONS (IOR): SUMMARY OF PRESENT STATUS OF KNOWLEDGE

Ray H. MacNair
University of Georgia
November 1977

Introduction

The term, interorganizational relations, refers to interaction between formal organizations. Organizations relate to each other much as people relate to one another. They communicate thoughts, exchange resources, attempt to lead or control. People do the relating, of course, but they do it on behalf of their organizations. When that happens, they are constrained by the rules which govern organizational behavior rather than individual behavior. Formal organizations generally have a persistent, durable character. They change behavior slowly and infrequently, compared with individuals.

So it is with interaction among formal organizations. Such behavior has a persistent character and changes slowly. IOR change when conditions change which are pertinent to the survival and effectiveness of organizations, when the population of organizations changes, and when the goals of the wider community change.

As conditions change and norms of interaction appear to remain unchanged, relations among organizations become ambiguous. Efforts to clarify emerge, but they are not always successful as expectations are unclear, conflicting or confused.

Studies of IOR: Common Features

Under these circumstances, academicians have been asked to study IOR in order to unravel the mystery: 1) what is really happening, 2) why do IOR break down, and 3) when can desirable changes be expected to endure and remain effective? A fundamental barrier to IOR in most of these studies arises from the need for some form of imperative coordination within formal organizations. To be effective, organizations must be cohesive internally and maintain their own integrity. The drive for autonomy, then, is well recognized although it runs counter to the expectation of "togetherness" among organizations. Many find it difficult to expose their operations to outsiders, especially when conflicting

styles are evident or when competitors get too close. Strong boundary maintenance or "defense" becomes an accepted rule of the interorganizational field. Autonomy is the name of the game.

Another common feature of organizational studies is the recognition of interdependencies. Close, albeit careful, interaction becomes an accepted rule when it is a necessity, for example, when resources are needed for survival. Blatant dependency is well understood and exchange relationships are usually well established under such conditions. When goals are not clearly understood nor an organizational domain well established (Levine, 1961), interdependency may not be sufficiently recognized. This problem is evident when the interdependency concerns effectiveness of goal attainment as distinct from the organizational resource base. Public agencies or public-serving organizations are maintained with funds not tied directly to the product. Autonomy may be deemed preferable to the lure of high goal attainment, if it is accompanied by the exposure of close IOR. Under these conditions, demands by new members of the organizational population for new forms of exchange are readily resisted. Community pressures are likewise ignored unless wide acceptance of new goals and new techniques has been demonstrated.

Streams of Thought

As a field of study, IOR emerged in the 1960's as a result of the convergence of a number of streams of academic thought. In this tract, these origins are identified and assessed for their substantive conclusions. Gaps in knowledge are indicated. The purpose of this exercise is to explore the probable benefit to be realized in developing guidelines for intervention in interorganizational relations. The principles of "participatory exchange" are developed here in preliminary form.

Six academic streams of thought have contributed to the study of IOR. They are 1) human ecology/urban and regional planning, 2) studies of community power structure, 3) community social system analysis, 4) studies of coordination among human service agencies, 5) studies of social movement organizations, and 6) research on community and economic resource management. Each of these streams is characterized by greater or lesser attention to instrumental, expressive, and normative relations. The balance of the contribution which is attributable to theoretical analysis relative to empirical research is also indicated.

1. Human ecology/urban and regional planning

Human ecology and "city planning" grew in closely related fashion, the former an academic discipline and the latter a form of professional practice. Geography and architecture are also related. The sociologist, Louis Wirth, at Chicago initiated a stream of thought which was developed by Park, Burgess, Quinn and others in Chicago; and by McKenzie and Hawley at Michigan. The disciplines of human ecology and urban planning both characterize communities as populations of organizations.

Organizations are pertinent for their economic value, especially as they relate to patterns of land use and other locational phenomena. The standard of living of a human population or community is directly related to the productivity of the organizations in its midst and the rate of exchange between those organizations. In Hawley's major treatise, Human Ecology,¹ exchange relationships and combined forces (symbiosis and commensalism) are described as the two fundamental forms of interaction between organizations. Exchange relationships occur when productive gain requires organizations with quite different, but complementary functions to move their products from one stage of production or distribution to another. A high level of productivity in a society requires a high rate of exchange between specialized organizational units. (This principle is directly applicable to the issue of employment opportunity).

Combined forces arise when organizations with similar functions can optimize their advantage in exchange relationships by banding together. Hence, combined forces are not so likely to directly affect the standard of living of a community, but they do affect the distribution of wealth. Secondary effects on productivity also occur, but they are difficult to measure. (Labor unions, for example, may affect the productivity of workers, the investment margin of industries, and the distribution of employment opportunities.)

Styles of communication are shaped by these forms of IOR.² Combined forces develop differentiated or separate styles of language and thought; exchange relationships tend to produce uniformity in styles of communication. In general, higher levels of productivity and higher rates of exchange do increase the proportion of all communications which is based on common thoughts and linguistic styles. Combined forces become less and less capable of maintaining separate styles. To the extent that minority status cultures are maintained, they must be bi-cultural. (The implications for minority employment groups is obvious;

they must be culturally and behaviorally assimilated, in the context of their employment efforts.)

Control or leadership among organizations is another issue for human ecologists and urban planners. In a discussion of the "key function" in communities, Hawley describes the shape of influence among the productive units and all other related organizations.³ The "key function" is the industry type which controls the major resources which are brought into a community, the major employer, taxpayer, investor, and trader. The key function, then, shapes the environment to which all other economic activities must adapt. A community with only one major economic activity has a vertical shape. The options for all sub-major activities are limited; they must contend with the conditions set by the key function in order to survive. A community with diverse, strong secondary economic activities offers segmental options. In this case, IOR are relatively horizontal in shape. The conditions set by the key function predominate, but they are limited by those options. (In the latter type of community, a multi-agency approach to employment opportunity will make sense; some variety of styles will be viable. Multiple entry points will optimize the advantage to both employers and applicants.)

In this discussion, we can see an economic or instrumental determinism at work. Expressive and normative problems are not ignored but they are subordinated to the question of instrumental gain. With this conceptual base, most of the work of human ecologists and planners is empirical rather than theoretical. Quantitative measurement and prediction take precedence over theoretical explanation.

The difference between ecologists and planners is both practical and political. Planners are involved in governmental decision-making. While ecologists describe and predict, planners must design and propose, keeping an ear open to decision-makers and the electorate. Ecologists observe interorganizational relationships quantitatively; planners participate in them at the nexus of information and opinion gathering. (The involvement of city planners in the design of employment opportunity networks might be highly beneficial.⁴)

2. Studies of community power structure

Sociologists and political scientists, without reference to human ecology, have elaborated the theory of community control and influence through a host of

studies of community power structure. Warner, Hollingshead, Lynd, and finally Floyd Hunter developed the idea in sociology, focusing on the covert influence of corporate elites. Political scientists such as Polsby and Dahl shifted the focus to the overt influence of political officeholders. The focus of these studies is on leaders as persons, their institutional leverage, and organizations as vehicles for interpersonal decision-making. There are parallels, however, in human ecology. For "key function," we can substitute the term, "corporate elite;" for "vertical structure," the sociologists' notion of "monolithic power structure" is a direct replacement. "Horizontal structure" is parallel to the political scientist's "pluralistic power structure."

A major contribution of these studies arises from the observation that power and influence do not always work as they *appear* to work. Elected leaders may be puppets for major established business, especially industries. Civic planning committees may be public relations tools in the hands of an elite. Important decisions are not made in the places which are designated for public decisions. It may not even be possible for a person who is anxious to meet the decision-makers to find out who they are or where they hold their discussions.

On the other hand, power is expressed through persistence, energy, organizing effort, focused attention, and ability to commit resources. Seemingly minor decisions, which need not attract the attention of corporate elites, produce changes in community life which were not anticipated and ultimately weaken their hold on the community. The electorate does have a constraining effect on corporate elites and, on some major issues, it is possible for an organized electorate to overrule their elites. Ultimately, it is neatly demonstrated in sociopolitical studies⁵ that major decisions may be made only with the cooperation of a range or sequence of autonomous forces: the news media, political bodies, independent commissions, labor unions, the affected consumers, as well as business elites.

Norton Long characterizes the community as an "ecology of games." In this concept, a community gives rise to a multiplicity of autonomous and semi-autonomous decisions games. Each decision game has its own actors, influence, and a set of more or less well defined rules. A different set of organizations participates in each game. The consequences are multifarious and, because of the diversity, unpredictable. In effect, many decisions are never made because no power elite has enough influence to control countervailing forces.

The importance of these studies is to call attention to the carriers of covert, corporate influence in IOR, the requirement of broad support for complex programs, the specificity of forces involved in programmatic decisions, the need to watch out for economic interests, the importance of established norms of decision-making, and the opportunity presented by legal principles. Frustration and opportunity are present in each picture of community power structure, but in each one they take different forms.

The community power studies have been predominantly empirical. There are conceptual frameworks galore and some solid theory which has emerged. Their content is usually balanced in attention to styles of expression and unofficial norms while exploring thoroughly the instrumental underpinnings. (The implications for development of employment opportunity are complex; overt and covert constraints must be accounted for. The concept of "participatory exchange" needs to include a concern for the instrumental effects on existing corporations, the symbolic value to an electorate, and the protocol and rules of decision-making.)

3. Community social system analysis

Robert MacIver, Irwin Sanders, Roland Warren, and others have made a major contribution to the study of IOR by citing interaction among organizations as the stuff of community life. In analyzing communities according to the theory of social systems, they call attention to the external forces which affect the community as well as the external processes. The balance of interdependent functions *within* is challenged by changes which originate from the *outside*. If external forces run rampant, the internal system breaks down. Warren refers to two types of IOR in this context: horizontal and vertical.⁶ Horizontal IOR are internal relations, within the community. Vertical IOR are relations between a local organization and its parent body outside the community. Warren cites five functions which sustain the community in some balance: production-distribution, control, socialization, participation (sociability), and mutual support (health and welfare).

Some external occurrences will simply decimate the community by withdrawing the central source of livelihood (Cottrell, "Death by Dieselization"). Others alter the balance of power by reducing the authority of local managers and allowing labor unions greater freedom (Warner, "The Shoe Factory"). Still other

influences may promote local authority by legal mandate, create local confusion and disarray by issuing conflicting decrees, or bolster local participation and/or resources.

The question of the strength of the horizontal or internal IOR is raised by this discussion. Are local IOR strong enough to respond in a thoughtful and influential way which will determine the fate of local community life? Clearly, some communities undergo such rapid change that local IOR cannot respond. On the other hand, communities with a stable corporate elite will be more likely to manage the changes they choose and prevent those they do not choose. A diversity of strong occupations and a fairly high level of income and education predict IOR which will encourage and control local changes.

A related question brought up by the federal government's challenges to local communities in favor of greater benefits and opportunity for low-income people and minorities. In a study by Warren of IOR, some favorable changes in local IOR were documented between OEO programs, Model Cities, Urban Renewal, school administrations, health and welfare councils, and mental health agencies. Warren concludes, however, that the changes were benign and amounted to little more than the additional participation of newly funded programs. He attributes this finding to a tenet of social system analysis: local norms for IOR are well established and capable of defending their own character.

Social system analysis places great emphasis on theory, with minimal reference to empirical studies. It is disciplined by reference to case studies, but not, as we would wish, to quantitative measurement of local IOR across types of communities. Warren's study fails in this regard although nine communities are included. There is no comparison of types of communities.

In Warren's study, we have the first explicit reference to the language of norms in interorganizational relationships. If he had used social system analysis more thoroughly, styles of expression and the instrumental character of communities might have been comparatively analyzed. (The implications of Warren's study for IOR in employment opportunity are pessimistic. More pervasive, interlocking influences are needed to alter the character of action within a community than OEO or Model Cities offered. Organizational autonomy is a strong norm in most local IOR.)

4. Studies of coordination among human service agencies

The language of interorganizational relationships is most explicit in the context of human service network studies. Ambiguity of agency goals and the kinship of social workers with social scientists are probable explanations. Late in the nineteenth century, charity organizations merged forces to prevent duplication of services. As services proliferated early in this century, united funding agencies formed to reduce the reaction to overlapping domains. Social service exchanges formed to allow case materials to be communicated across agencies. In 1956, Bradley Buell published a study of the fragmentation and criss-crossing confusion for clients in multi-problem families.⁸ He then proposed a coordinated diagnostic and referral service in order to resolve the problem.

Walter B. Miller was the first to describe avoidance in IOR as an overt impediment to service.⁹ Organizational autonomy, conflicting perspectives on the client, and inertia in communications were the impediments. Levine and White analyzed exchanges in detail between a network of health agencies.¹⁰ They were the first to develop a theoretical approach to the subject. They identified status of the initiator, resource advantages, domain clarity, and service function as explanatory predictors of the role of an agency in an IOR network of referrals. Litwak and Hylton developed a more systematic framework in a study of Community Chest agencies.¹¹ Number of agencies, awareness of interdependency, and standardization of tasks are measured to predict specific forms of coordination.

Continuing the development of theoretical formulations and empirical research, Hage and Aiken related joint programs among health and welfare agencies to internal structure. Occupational complexity, innovativeness, a high rate of internal communication, decentralization, and lack of formality are associated with joint programs.¹² Later, in a larger set of similar organizations, Paulson argues that internal structure is only slightly predictive; systemic and ecological variables are needed for a fuller explanation.¹³ In another study of long-term health facilities, Morris concludes that prior informal friendship relationships among board members are crucial to inter-agency cooperation among such agencies.¹⁴ In other words, positive expressive relations are predictive.

A spate of recent studies indicates that umbrella coordinating organizations within which organizations retain much of their autonomy are conducive to the growth of detailed IOR among community service agencies.¹⁵ Federal intervention in promoting these combines is also expected to be influential. In recent years, half of the states have established umbrella agencies on the state level. These structures are influential, although the results are mixed. Perry Levinson concludes, for example, that integrated services must still be encouraged in the persuasive manner of international diplomacy, not through imperative coordination.¹⁶

The human service studies are empirical and practice-oriented, with an overlay of theoretical concepts. Instrumental, expressive, and normative variables are all considered and there is the introduction here of organizational characteristics as predictors of effective IOR. (A recent study showed that centralization in employment services is related to lower productivity. By extension, we would predict that agencies with less centralized supervision are also more amenable to strong IOR. Many other factors will enter in, however, such as the number of agencies, specified tasks, conflicts of ideologies between agencies, close personal ties, professional diversity within agencies, and federal intervention.)

5. Studies of social movement organizations

Mayer Zald discussed the characteristics of social movement organizations in a little noticed article in 1966. In a brief discussion of IOR among these organizations, Zald states two propositions.¹⁷ First, he related diversity within the organization to a likelihood for entering into mergers or joint programs. Homogeneity reduces interaction, just as it does in Hage and Aiken's study of health and welfare agencies. However, in contrast to Levine and White's proposition that status and approval predict high rates of exchange, Zald finds that high status and achievement produce a resistance to merger or joint programs.

This contradiction is explained by the special character of social movement organizations. These organizations exist to challenge their communities. They pursue change in the character of local targets. Their goals produce hostility. Their related social movement organizations, with the same general goals, face the same hostility. Relationships in this contest are not symbiotic or exchange relationships; they are "combined force" or kinship relationships.

In an explicit study of interorganizational kinship relations, MacNair explored this contradiction among the civil rights organizations of two communities in the 1950's and 1960's.¹⁸ It is noted that the separate identity of civil rights organizations is based not on separate goals but on style or character. These separate styles appear to arise as much from the cultural styles of members as any systematic argument over strategy. Under ordinary circumstances (e.g., Cleveland in the 1950's), high status is predictive of low interaction among kin organizations. However, in a period of emerging national excitement and popular militancy, a crescendo of activity places emergent organizations in the limelight. Temporarily, these crisis-oriented organizations enjoy high status and approval, and they engage with others in joint efforts at a high rate.

(The same effects might well be found among employment opportunity agencies in a time of national excitement about job programs. Obviously, the emergent or advocate agencies do not enjoy the crescendo effect at the time of this writing.)

Few empirical studies of IOR among kin social movement organizations are available. The theory of social change and organizational challenge is pertinent and instructive. It is apparent that the theory of "combined forces" is yet to be fully developed. For example, an analytic study of the experiences of the community union movement of the 1830's would be helpful by virtue of the failure of combined forces at the community level as opposed to the national level. Much of the attention to social movements is expressive in nature. There is a need for greater attention to the practical and instrumental effects.

6. Research on community and economic resource management

A wide range of studies have emerged in the past decade which focus on the practical issues of IOR among private businesses and public agencies. These studies can be grouped under the rubric of community resource management. Also, an emerging phenomenon which bridges the public and private sector is called the "third sector." Third sector organizations make public the business of private organizations or, conversely, they place public business in the hands of private organizations.

In a landmark study of development organizations in 16 rural counties in Iowa, David Rogers developed conceptions of social exchange in IOR,¹⁹ measured

sociometric relations among these organizations²⁰ (as the MacNair study did for social movement organizations), and provided data which document the conditions which are conducive to frequent interaction in IOR.²¹ Cohesiveness and centrality were found to revolve around distinct community functions: agriculture, social service, and the natural environment. Intensive interaction was found among high status, highly approved organizations (as was found in the case of health organizations by Levine and White). Standardized rules and procedures were predictive (as in Litwak and Hylton). Organizations with less local autonomy in funding and programming reported higher levels of IOR (consistent with Warren's analysis). Also, (like Zald and MacNair) Rogers found innovative organizations with broad service responsibilities to be more deeply involved in IOR.

On the negative side, Rogers argues it will always be difficult to promote interagency cooperation among low status organizations where unequal power is a factor in the relationship. It will be difficult, similarly, to encourage IOR across functional lines. (The implications of these observations for employment opportunity agencies is clear; relations with industries are unequal and cross-functional. However, a broad innovative approach could be developed through federal-state-local legislation. Special efforts are needed to standardize the employment "product" in relation to industrial needs. Rogers' data also suggest training for "system-centered" attitudes may be indicated, as opposed to parochial, "organization-centered" attitudes.)

Greif, et al., argue convincingly for a strategy of specific, instrumental interorganizational supplements or conduits for programs of small business development. Voluntary, coequal packaging and distribution, security arrangements, or cooperative marketing are examples of joint efforts they perceive as allowing autonomy and efficient to coexist in a framework of IOR. In a study of 15 small businesses, the authors document that some of the advantages of large-scale business are attainable.²² (An intriguing feature of this study is the combination of elements of exchange and kinship or *combined force*, which suggests our proposed framework of "participatory exchange." The usefulness of this approach in promoting employment opportunity and business development conjointly is equally intriguing.)

It should be noted that Greif's strategy integrates the types of IOR described in human ecology as symbiotic relations and combined forces. This

mixture reflects a realistic and growing tendency to recognize that complementary interests and common interests need to be structured in multiple combines, allowing separation for symbiotic exchanges and merger for mutual participation for a common goal.

There is an ambiguity inherent in combining "exchange" and "participation" under one roof. This ambiguity is highlighted by McGill and Wooten in an analysis of "third sector" organizations.²³ Third sector organizations embody an activism which results when public and business organizations fail to solve community problems. In some cases, they start out as social movement organizations. They end up as publicly mandated private bureaucracies, e.g., Amtrack, Community Action Agencies, publicly funded day care program networks, TVA, NASA, labor unions, neighborhood governments. Their internal management is characterized by their origins in a persuasive moralism. However, the mixture of instrumental exchange and expressive participation produces managers whose style is broad and patient -- a mixture of private initiative and public accountability. The performance of public responsibilities in a private role places much emphasis on a subtle, reaching form of external relations. Indeed, many third sector organizations are transorganizational in scope as described by Greif. Managers in such institutions must behave as entrepreneurs, exploiting opportunity, and as public servants, awaiting their community mandate.

Probably the key to third sector management is the process of setting standards. Professionals must be given freedom to work their expertise. Autonomous subunits must be able to negotiate according to the conditions of their particular environments, as long as they fit into a framework of goals and standards. That overarching framework is the focus of transorganizational management leadership. In the case of integrated human service combines, Levinson concludes that "leadership techniques should resemble international diplomacy -- the attempt to reach a consensus, a preplanned framework for coordination" rather than a style based on imperative coordination."²⁴

Participatory Exchange

The principles of participatory exchange emerge in this discussion with a certain march of inevitability. If highly diverse types of organizations (public, private, and advocacy) can be joined by mutual consent to work efficiently, effectively, and economically on a publicly mandated goal, an interorganizational

strategy with broad proportions will be required. Specifically, these principles are enumerated:

1. broad goals are most effectively set at the level of participating governing boards in advance of procedural specifications;
2. the enunciation of national, regional, and state mandates reinforce the establishment of such agreements;
3. the participatory, mutual benefits and the exchange benefits are identified;
4. specific dyadic IOR are negotiated individually as "protocols"; formal agreements which identify responsibilities and procedures for initiating an exchange;²⁵
5. quantified objectives and reporting procedures are set through a participatory, nonthreatening deliberative process;
6. a neutral coordination office manages the procedural protocols, insuring the continuing exchange of resources;
7. a coalition board reviews the attainment of objectives and recommends new ones in accordance with overall goals and standards.

With this procedure, the gaps between natural clusters of organizations can be bridged. Inequality of status need not be a barrier to joint programming. Centers of corporate power as well as blocks of the electorate can both be included in the standard setting process. Politicos, professionals, and administrative types can maintain a requisite social distance from each other while negotiating protocols and performing their distinct roles.

Arrangements of IOR in a participatory exchange have the possibility of resolving numerous dilemmas posed by the changes in the community circumstances which surround norms for IOR. Participatory exchange arrangements are no panacea, but they do permit communication, efficiency, and autonomy to survive intact.

A-1968

ENGINEERING EXPERIMENT STATION
GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

December 20, 1977

Dr. Pat Choate, Director
Office of Economic Research
Room 6018
Economic Development Administration
U. S. Department of Commerce
Washington, D. C. 20230

Dear Dr. Choate:

This quarterly budget report is submitted in quadruplicate in accordance with item 6.c. of the General Terms and Conditions to Research Grant Number OER-577-G-77-22 (99-7-13384).

Total Grant	\$19,346
Expended	<u>14,966</u>
Balance	\$ 4,380

Sincerely,

/

David S. Clifton, Chief
Economic Development Division
Technology and Development Laboratory

mpc

cc: Bob Collier
Billy Atcheson
Dwight Allen

A-1968

ENGINEERING EXPERIMENT STATION
GEORGIA INSTITUTE OF TECHNOLOGY • ATLANTA, GEORGIA 30332

December 20, 1977

Dr. Pat Choate, Director
Office of Economic Research
Economic Development Administration
Room 618, U. S. Department of Commerce
Washington, D. C. 20230

Subject: EDA Grant No. OER-577-G-77-22, "Planning for the Interorganizational Networking of a State Economic Development Council" (Georgia Tech Project A-1967), Quarterly Progress Report for period September 11-December 10, 1977

Dear Dr. Choate:

The purpose of this letter is to furnish your office a report on the progress of the subject project for the period September 11-December 10, 1977 and a quarterly budget report. A letter format report is being used in this instance because the final report will be furnished on or before January 25, 1978.

It is reported that all investigative work concerned with the project work program has been completed. An initial draft of the final report has been informally furnished Dr. Paul Braden of your office. The document was recently reviewed by Dr. Braden during his visit in Atlanta and comments and suggestions made by Dr. Braden have been incorporated in the final draft.

The project director has maintained a close working relationship with the Economic Development Council and it can be reported that Lieutenant Governor Miller, Council Chairman, and Council members have been most cooperative in providing necessary information and data relating to the project. It is planned that a formal report of project results as they apply to the Council will be presented to the membership at their January 6, 1978 meeting.

Attached to this letter report are several enclosures that contain significant information. Enclosure 1 is a copy of the Final Report Abstract. Enclosure 2 is a brief document suggesting certain matters that EDA may want to consider in future programs. Enclosure 3 contains a statement of the status of knowledge concerning interorganizational relations.

Dr. Pat Choate
Page 2
December 20, 1977

By separate correspondence certain administrative matters which have been discussed with Dr. Braden has been forwarded for your consideration. If we can furnish further information at this time, please let me know.

Sincerely,

/Robert E. Collier
Project Director

mpc

Enclosures

cc: Lieutenant Governor Zell Miller
Mr. Charles E. Oxley
Mr. Paul Braden
Mr. R. L. Yobs
✓ OCA
Mr. David S. Clifton

Project A-1968

Grant No. OER-577-G-77-22 (99-7-13384)

PLANNING FOR THE INTERORGANIZATIONAL NETWORKING
OF A STATE ECONOMIC DEVELOPMENT COUNCIL

SUMMARY REPORT

by

Robert E. Collier
Senior Research Scientist
and
Project Director

This report was prepared for the Office of Economic Research, Economic Development Administration, U. S. Department of Commerce in fulfillment of contract OER-577-G-77-22 (99-7-13384). The statements, findings, conclusions, recommendations, and other data in this report are solely those of the grantee and do not necessarily reflect the views of the Economic Development Administration.

GEORGIA INSTITUTE OF TECHNOLOGY

ENGINEERING EXPERIMENT STATION
TECHNOLOGY AND DEVELOPMENT LABORATORY
ECONOMIC DEVELOPMENT DIVISION

ATLANTA, GEORGIA 30332

DECEMBER 1977

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PLANNING FOR THE INTERORGANIZATIONAL NETWORKING OF A STATE ECONOMIC DEVELOPMENT COUNCIL

Background

Neither the United States nor the State of Georgia has a centralized, comprehensive economic plan and program administered by a hierarchy of governmental organizations operating within an authoritative system. Rather, the economic activity of the state and nation is conducted by a "conglomeration" of governments, public agencies, private enterprises, and advocacy organizations. Few, if any, lines of authority systematically link these organizations together for the orderly accomplishment of economic activity. Also, it appears that the establishment of good and continuing relationships and communication networks among and between development organizations is left largely to chance.

It seems that three options are open to state and national governments with respect to processes for economic development. First, the traditional mode can be utilized in which economic development processes and programs are accomplished by autonomous individuals, organizations, and governments, with little or no cooperative interaction, centralized coordination, or direction. Second, national and state economic planning programs can be developed, implemented, and administered through an authoritative formal set of governmental and quasi-governmental agencies and institutions. Third, individuals, agencies, and organizations can be encouraged to interact in a cooperative manner in the formulation and implementation of comprehensive economic development programs. The State of Georgia recently elected to follow the latter participatory course of action through the establishment of an Economic Development Council.

Nature of Project

The establishment of an Economic Development Council provided a unique opportunity and environment for applied research on interorganizational communication networks and processes within the framework of a diverse group of economic development organizations. The overall goals established for the project were: first, to facilitate and improve the cooperative interaction of Council members through improved networking processes; and second, to provide the Economic Development Administration an information base upon which determinations could be made relative to the need for additional applied research to improve

communication and organizational networking of processes and programs involved in economic development.

Legislative Mandate

The Economic Development Council of Georgia was established by legislation proposed at the 1976 session of the General Assembly. Its overriding duty was to formulate comprehensive policy to encourage economic development in the state, as follows:

It shall be the duty of the council created by this act to encourage economic development within the State of Georgia. The council shall develop a policy of the state which will embody carefully ascertained economic growth and development objectives. Such objectives shall include provision for employment opportunities for all citizens in growth industries within the state, production of investment incentives, development of necessary statewide and local transportation, communication, education, housing, health services, and recreation needs; and methods, programs or means for the optimum utilization of human, natural and capital resources of the state.

Composition of Council

The Economic Development Council is composed of 16 individuals who were nominated for membership by the agencies and organizations specified in state legislation and were appointed by the Governor. Three other members were appointed at-large, respectively, by the Governor, the Speaker of the House of Representatives, and the President of the Senate. The legislation creating the Council identified the 16 organizations providing representation on the Council as organizations involved in various aspects of economic development. Council membership includes government agencies, governmental organizations, educational institutions, business associations, and professional associations. The Council organization is illustrated in Figure 1.

Categories of Organizational Participation in Economic Development

Member organizations were selected for membership on the Council because they were engaged in some aspect of economic development. In order to investigate the interorganizational relations of member organizations, however, a clear understanding of the scope, type, and intensity of their participation in economic development was necessary. To accomplish this task, a data profile was developed for each organization.

ORGANIZATIONAL ELEMENTS OF THE ECONOMIC DEVELOPMENT COUNCIL OF GEORGIA



Project research involved several categories of economic development processes and programs, as follows:

The first category, "resource areas," covers the elements and materials on which economic growth is based. This category includes: natural resources, physical resources, and human resources. These resource areas, in turn, involve a series of economic sectors in which particular economic development programs may be designed and implemented.

A second category, which is of a sectorial nature, was identified to permit the study of discrete economic development processes and programs. Each economic sector relates to one or more of the resource areas described above. These sectors are industry, agriculture (agribusiness), service, tourism, forestry, fishing, distribution, general business, government services, and schools and vocational training.

A third category permitted the study of activities which organizations undertook to accomplish processes and programs. These activities included policy, research, planning, program implementation, legislative liaison, education and training, program evaluation, and technical assistance.

To gain some measure of the magnitude of organizational involvement in economic development, three types of interactions were used. Routine activity indicated that the organization was involved in a particular economic development category or activity at least on a monthly basis. Nonroutine involvement was defined as infrequent activity but within the scope of the mission. Exceptional activity was defined as that activity which was beyond the normal role of the organization, but a role that the organization would consider undertaking on an exceptional basis.

Member Participation in Economic Development

In the broad areas of natural, human, and physical resources, it was found that only one organization participates in all resource areas on a routine basis. The Georgia Planning Association reported that it usually participated in the broad planning areas rather than the more limited economic sectors. Because all economic sectors are related to one or more of the broad resource areas, most member organizations also have an interest in the areas as they related to their sectors of interest. However, it is noted that several state agencies which

appear to be comprehensively involved in these resource areas are not represented on the Council.

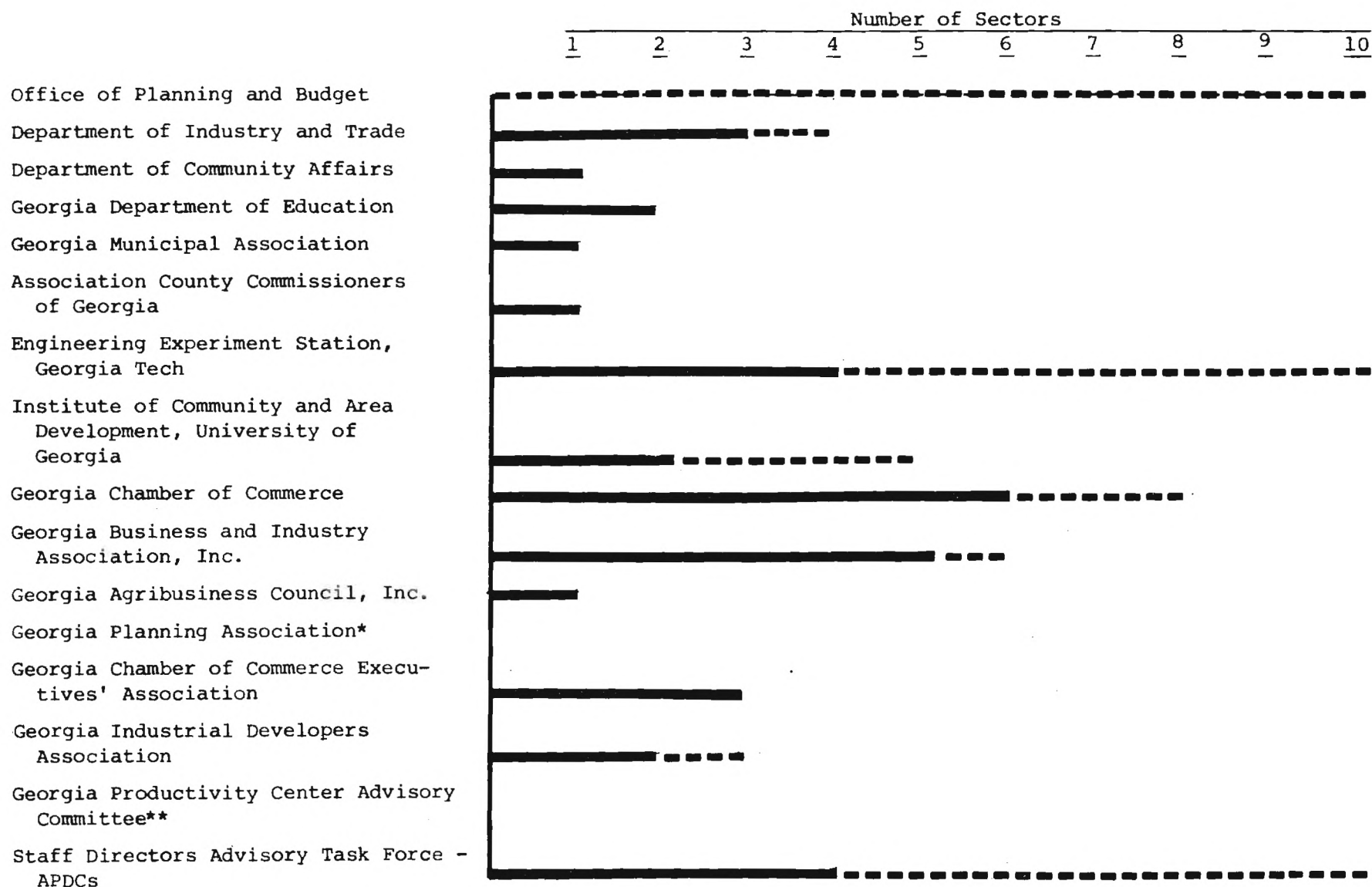
Of the organizations reporting on participation in particular economic sectors, seven organizations indicated that they participated routinely in two sectors or less, five participated in three to five sectors, and one participated in six sectors. No administrator reported that his organization participated on a routine basis in all 10 sectors. (See Table 1.) It was found that none of the member organizations participate on a routine basis in the fishing and forestry sectors. Based on available data, it is concluded that member organizations are generally participating in a narrow range of economic development sectors, and that no single organization exercises a comprehensive overview of the economic development field. (See Figure 2 and Table 2.)

Eight major development activities were reported on by member organizations. With 15 organizations reporting on the eight major items, the possibility exists that there could be 120 possible types of involvement. The survey indicated that there were 105 involvements or over 87% involvement by the 15 organizations in the eight activities. Because the staff size of member organizations ranges from zero paid staff to over 1,500 employees, the foregoing findings raise a question as to the nature and intensity of member organization in specific development activities. It is concluded that data available for the assessment of member organization participation in specific development activities are not sufficiently accurate and comprehensive enough for an actual assessment of the level of participation of organizations in the several activities.

With respect to economic impact evaluation, it was found that member organizations do not appear to be opposed to evaluation in general and do conduct evaluations of their own operations and programs. However, the data to date do not provide sufficient information to make judgments concerning the value of such evaluations to Council operations. No evidence was found that the evaluations conducted by member organizations are utilized or can be utilized in the evaluation of activities of the economic development community. Nor is there any evidence that evaluation criteria and measurement units have any common basis among development organizations.

Table 1

EDC MEMBER ORGANIZATIONS, NUMBER OF ECONOMIC SECTORS
IN WHICH THEY ARE INVOLVED, AND LEVEL OF INVOLVEMENT



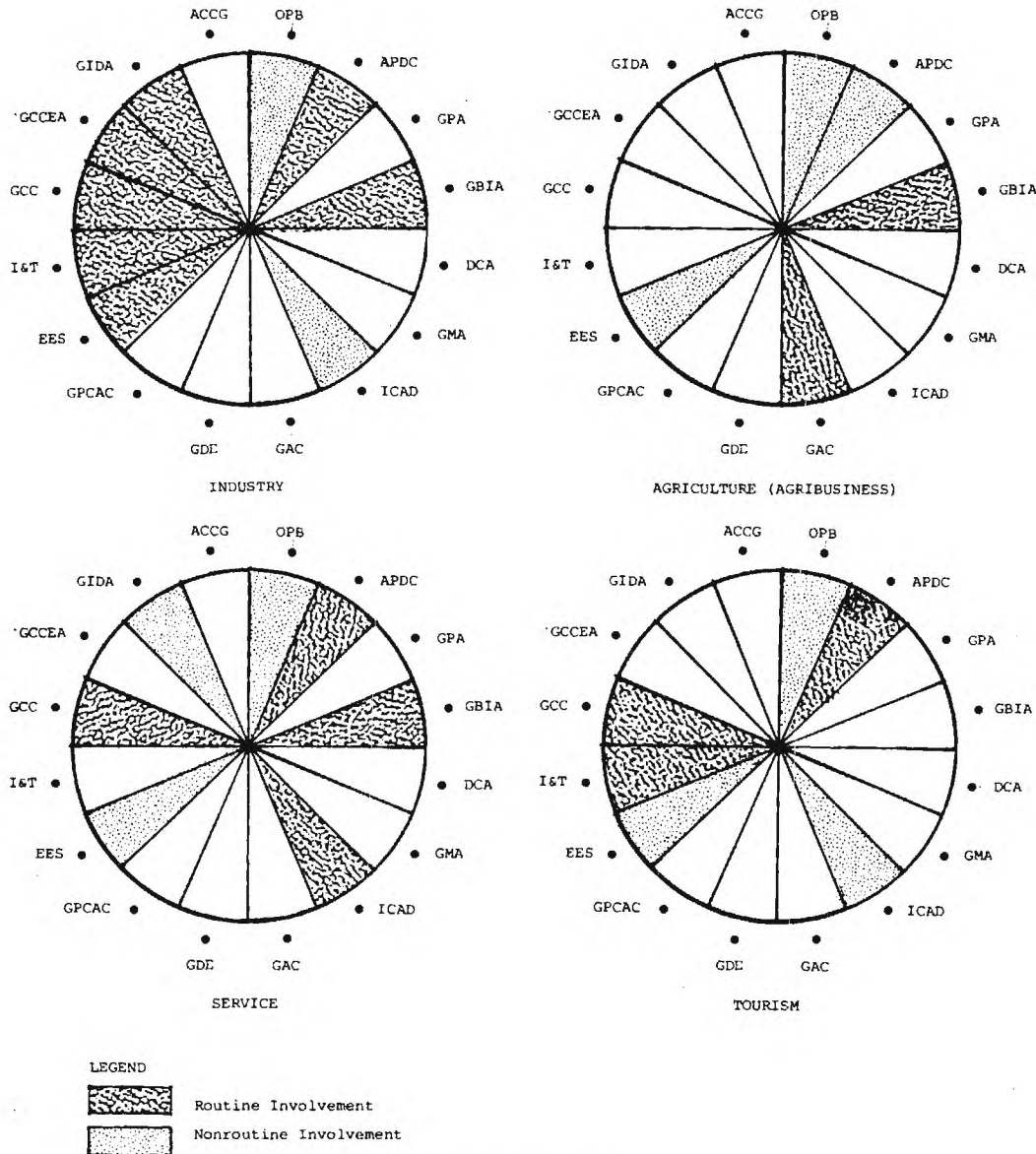
----- Routine
Involvement

----- Nonroutine
Involvement

* Does not participate in sectorial planning.

** Did not participate in this phase of investigation.

Figure 2
ECONOMIC DEVELOPMENT SECTORS BY ORGANIZATIONAL PARTICIPATION
AND LEVELS OF INVOLVEMENT



ORGANIZATION ABBREVIATIONS

OPB - Office of Planning and Budget
I&T - Department of Industry and Trade
DCA - Department of Community Affairs
GDE - Georgia Department of Education
GMA - Georgia Municipal Association
ACCG - Association County Commissioners of Georgia
EES - Engineering Experiment Station, Georgia Institute of Technology
ICAD - Institute of Community and Area Development, University of Georgia

GCC - Georgia Chamber of Commerce
GBIA - Georgia Business & Industry Association, Inc.
GAC - Georgia Agribusiness Council, Inc.
APDC - Staff Directors Advisory Task Force, State Advisory Committee on Area Planning and Development
GPA - Georgia Planning Association, Inc.
GCCEA - Georgia Chamber of Commerce Executives' Association
GIDA - Georgia Industrial Developer's Association
GPCAC - Georgia Productivity Center Advisory Committee

Figure 2 (Continued)

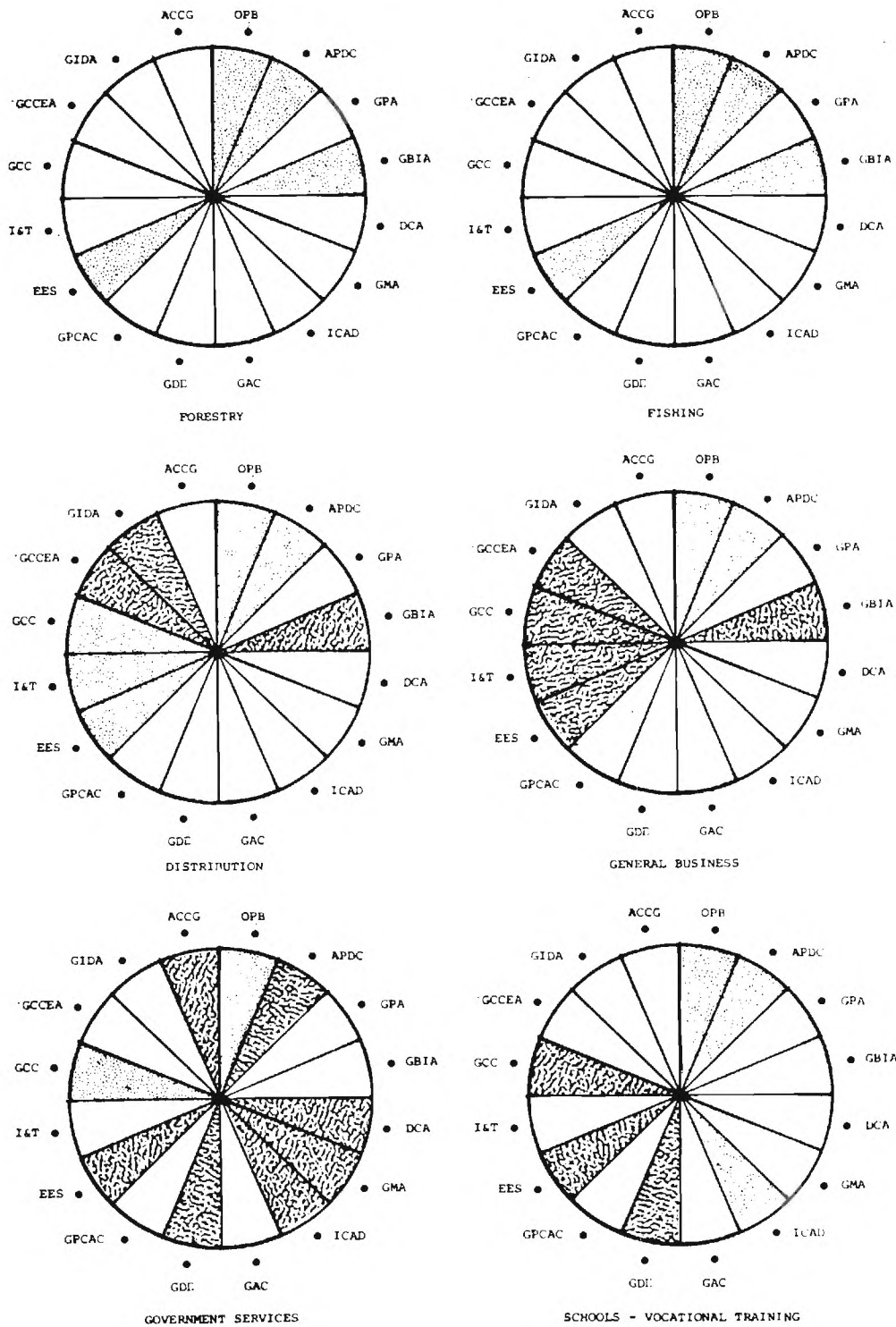


Table 2
NUMBER OF ORGANIZATIONS PARTICIPATING IN ECONOMIC SECTORS
BY LEVEL OF INVOLVEMENT

<u>Sectors</u>	<u>Number of Organizations</u>		
	<u>Routine</u>	<u>Nonroutine</u>	<u>Total</u>
Industry	7	2	9
Agriculture (Agribusiness)	2	3	5
Service	4	3	7
Tourism	3	3	6
Forestry	-	4	4
Fishing	-	4	4
Distribution	3	5	8
General Business	5	2	7
Government Services	7	2	9
Schools - Vocational Training	3	3	6

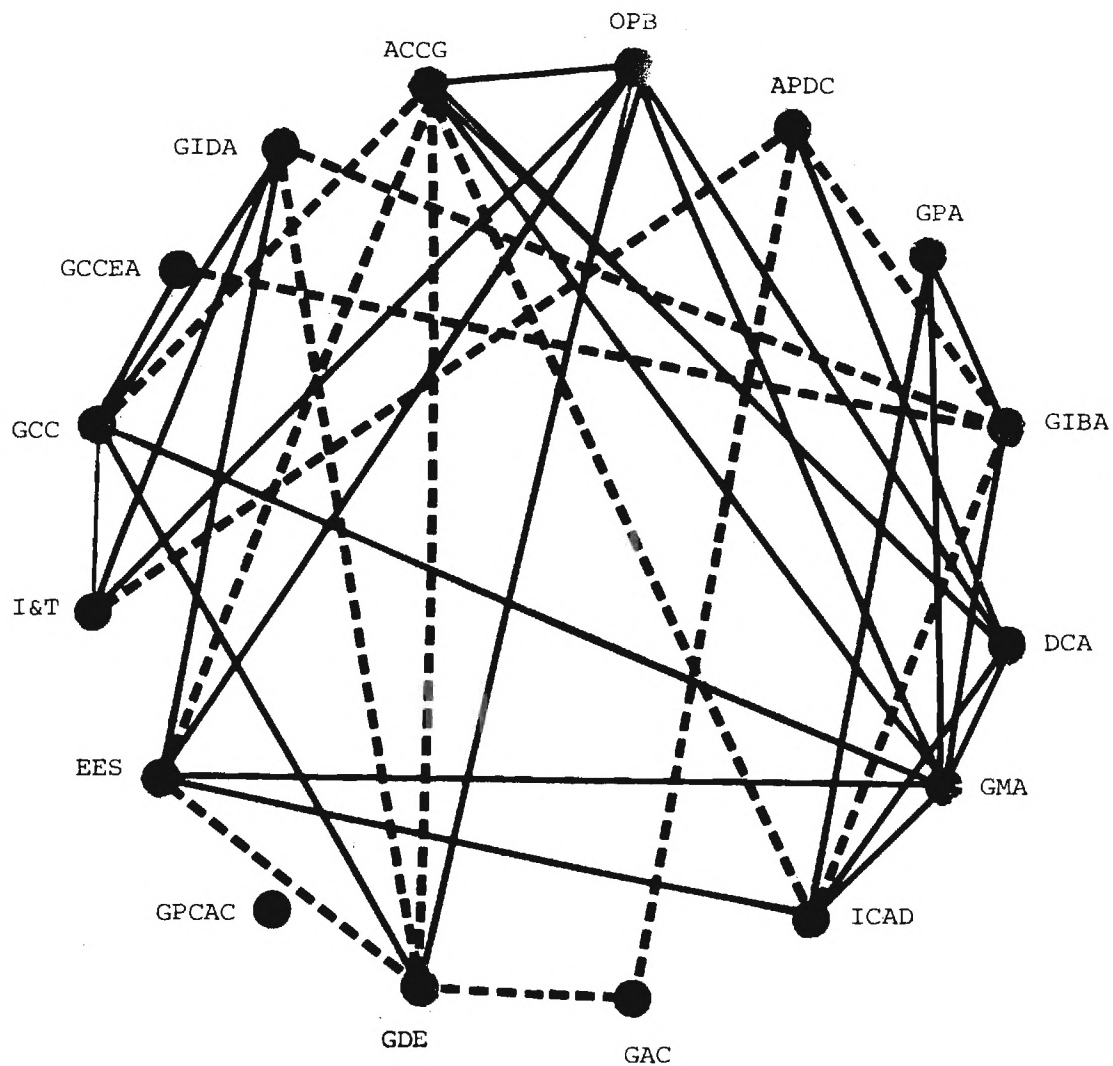
Interorganizational Relations Among Council Members

An essential task of this project was to identify existing communication networks currently employed by member organizations in their relationships with other Council members. The communication networking aspect of the project included not only the communication channels but communication points within organizations, communication vehicles, media, and control mechanisms.

Each organizational administrator was asked to indicate which organizations his organization communicated with, together with the frequency of such communication. No effort was made to determine the nature of such communication other than to ascertain that it pertained directly to the organization's principal involvement in economic development.

The actual or potential channels linking individual Council member organizations consist of 210 one-way channels or 105 two-way channels. Investigation indicates that administrators agree that 38 of the two-way channels are in use at either a routine or a nonroutine level of interaction. (See Figure 3.) It also was agreed that some 13 two-way channels are not currently in use or are being used only occasionally. (See Figure 4.) However, it was found that

Figure 3
 AGREEMENT OF MEMBER ORGANIZATIONS ON JOINT USE
 OF COMMUNICATION CHANNELS



LEGEND

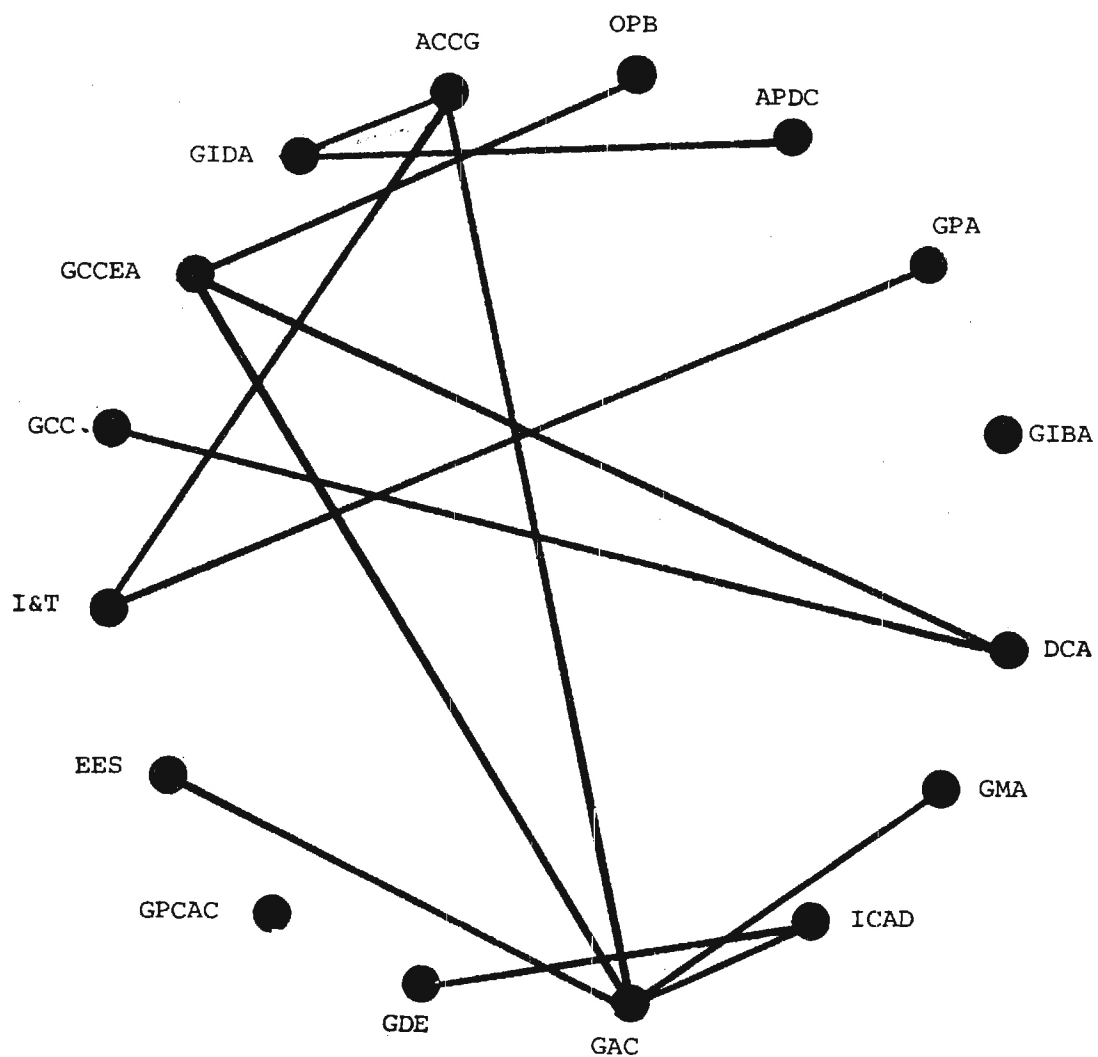
— Routine Communication

- - - Nonroutine Communication

Note: See Figure 2 for Abbreviations.

Figure 4

AGREEMENT AMONG MEMBER ORGANIZATIONS ON COMMUNICATION CHANNELS
USED INFREQUENTLY OR NOT USED AT ALL



LEGEND

— Routine and/or Nonroutine Communication

Note: Refer to Figure 2 for Abbreviations.

there is disagreement among administrators relative to the level of use of the remaining 54 two-way channels.

It was found that written correspondence, telephone communication, and personal meetings between individuals are considered to be very important communication vehicles used by Council members. Such vehicles are used primarily for interaction between organizations, however, rather than in interorganizational relationships of the Council. The newsletters, reports, and other documents published by member organizations offer the Council an existing capability that can be used in further developing the interorganizational networking of the Council. However, the extent to which such publications are presently being used by member organizations and their clientele is not fully understood.

Investigation revealed that a relatively large and complex system provides for information flows between and among Council member organizations. For the most part, the existing "networks" and communication channels serve the needs of individual organizations, but do not necessarily link groups of organizations together in any systematic fashion. So far as is known, the Council has not developed a formal communication system for its own use, but rather has communicated with individuals and groups on an informal, as-needed basis.

Summary of Findings

- o Member organizations tend to participate in discrete economic development sectors which are components of broader resource areas rather than in the broad areas.
- o Member organizations tend to participate in a relatively narrow range of economic development sectors; no individual organization participates in all sectors on a routine basis.
- o Member organizations do not participate in the forestry and fishing sectors on a routine basis; however, four organizations were involved in these sectors on a nonroutine basis.
- o Eighty-seven percent of the membership reported routine participation in all eight of the development activities concerned with the economic sectors; however, the findings of the investigation are not sufficient to provide a reliable assessment of the relative level of involvement in the several activities among the members.

- o Evaluation of program impacts on economic growth is being conducted by member organizations on an organizational basis; however, such evaluations do not appear to be used extensively in interorganizational program development, management, and improvement.
- o Communication channels and networks are operational between and among member organizations on a broad scale; however, there are differences in perceptions among organizational administrators concerning the utilization of such networks and channels.
- o Member organizations are publishing a variety of newsletters, reports, and other informational documents which appear to offer potential benefits to the Council at large as well as individual members. However, the nature of distribution and utilization of such media and publications among Council members is not fully understood.

Conclusions

The findings of this study confirm the lack of a comprehensive approach to economic development and emphasizes the importance of interorganizational communication in addressing problems of growth and development and the significant contribution an interorganizationally oriented organization such as the Council can make. (See Figure 5 for Basic Communication Model.)

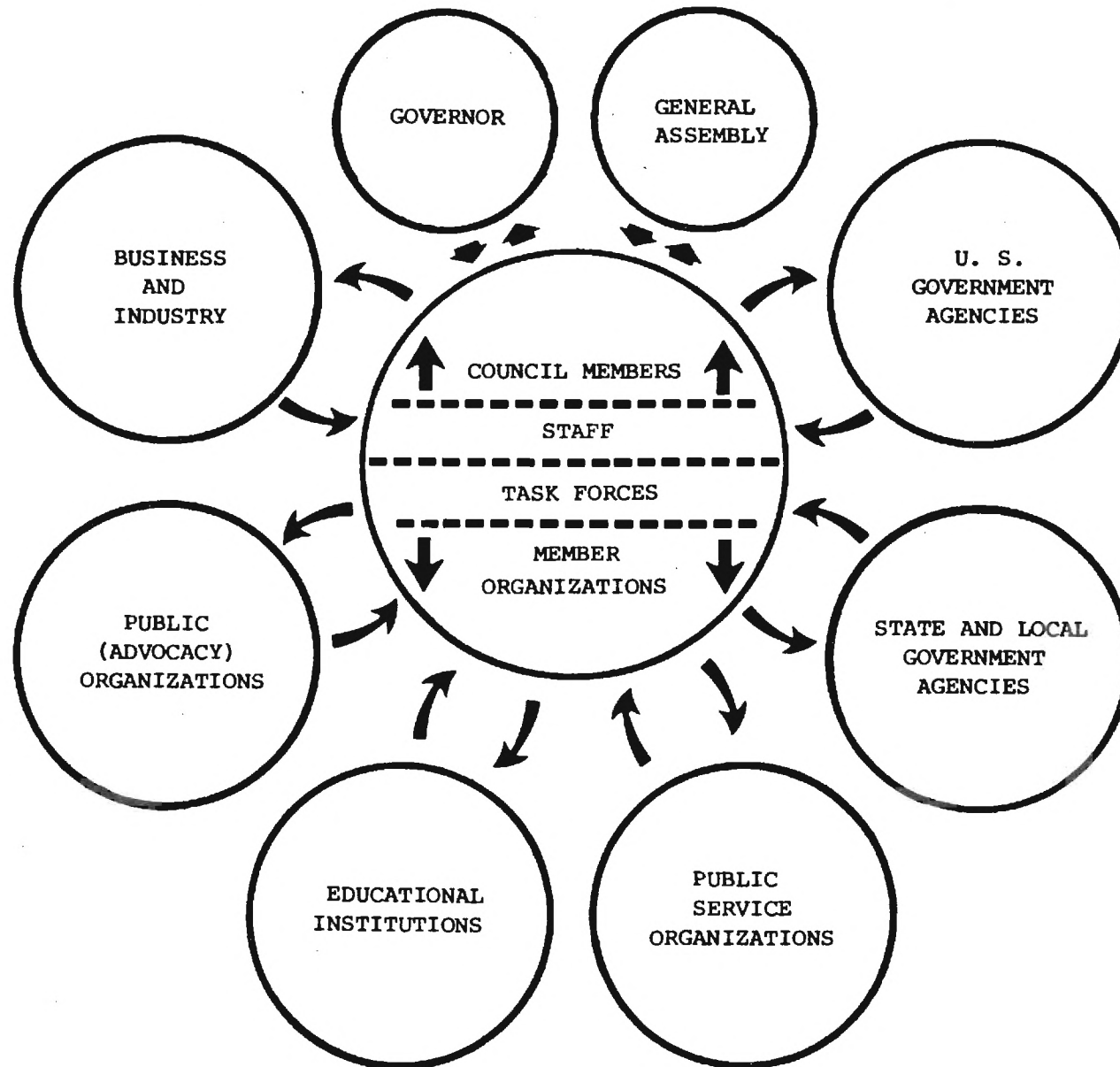
Based on investigative results contained in this report, it is concluded that the "council mechanism" inherent in the Economic Development Council of Georgia offers a viable approach through which intergovernmental/interorganizational relationships can be improved throughout the economic development community of interests.

Member organizations and their clientele provide an open system which, if oriented toward cooperative interactive processes, can have a profound impact on economic development. It is concluded, therefore, that member organizations offer the Council a mechanism and capability through which it can develop a plan for the interorganizational networking of economic development processes, activities, and programs on a statewide basis.

Based on findings contained in this report, it is concluded that if a council "mechanism" is to be effectively used in economic development, additional research-based information must be made available to those who are involved in the functioning of such council-oriented operations.

Figure 5

BASIC COMMUNICATION MODEL FOR ECONOMIC DEVELOPMENT COUNCIL



The enabling legislation provided for the establishment of a formal organization that is not authorized to exercise any powers derived from the State. Member organizations serve different clientele, exercise varied responsibilities, and operate under varying management structures. The enabling legislation did not provide funding for staff or routine operating expenses of the Council. It is concluded, therefore, that success or failure of the Council to achieve its goals will depend on the cooperative interaction among Council members who are employees of member organizations associated with the Council.

Although this investigation has been focused on organizations concerned with economic development in only one state, the assumption that comparable organizations are functioning in each of the other states appear to be valid. It also appears to be reasonably valid that these organizations are involved in economic areas, sectors, and activities that have been described and investigated in this project. However, the nature of organizational participation in economic development and the interorganizational networking in such processes are not known. It is concluded that a full understanding at the national level of interorganizational processes in the various states is necessary if national economic programs concerned with subnational economic development are to be effective.

Finally, the principle of participatory exchange emerges from this study as an approach through which diverse organizations (public, private, and advocacy) can be joined by mutual consent to work efficiently, effectively, and economically on publicly mandated goals. It is concluded that a strategy involving the principle of participatory exchange offers the possibility of an approach that can bridge gaps between organizations which will permit communication, efficiency, and autonomy to survive intact.

Recommendations

It is recommended that the Economic Development Council review the data, information, findings, and conclusions contained in this study with the objective of improving the cooperative interaction among Council member organizations on matters pertaining to economic development in the state of Georgia. Specifically, it is recommended that:

- o The Council identify obstacles that are inhibiting cooperative interaction among Council member organizations and initiate processes that will improve interorganizational relations.
- o The Council establish communication networks that will be responsive to its needs.
- o The Council develop methods for utilizing the member organizations' media/publications resources in Council programs.
- o The Council undertake studies relating to evaluation processes and programs used by member organizations with the objective of using evaluation results, where feasible, in Council program development and activities.
- o The Council formulate and conduct educational programs for its membership and for others in interorganizational relationships as they pertain to economic development processes and programs.

It is recommended that Council member organizations, on an individual basis, review their interorganizational processes and activities. Based on findings of such reviews and on the data and information contained in this report, it is further recommended that each organizational project, activity, or program that requires cooperative interaction with other member organizations be provided a plan for interorganizational relations development and implementation.

It is recommended that the Economic Development Administration give full recognition to the need for improved interorganizational relations among development organizations, governments, governmental agencies, advocacy groups, and the private sector in the matter of economic development processes and programs. Specifically, it is recommended that:

- o Applied research be undertaken to broaden the base of interorganizational relations knowledge as it applies in the field of economic development.
- o Individual economic development programs sponsored by the Economic Development Administration require that the method of approach or work program for each project include provisions that will insure that interorganizational relations are given due consideration in both project development and implementation.

- o Investigations initiated by the current project with the Economic Development Council of Georgia be continued with emphasis placed on inter-organizational relations applications in specific economic development sectors.
- o A project at the Federal region level be initiated to survey economic development interorganizational practices throughout the region with emphasis placed on the interaction between organizations and agencies that are involved in interstate and regional aspects of economic development.
- o A project be undertaken to test the feasibility of using the principle of participatory exchange in the field of interorganizational relations. Specifically, it is recommended that such a project consider the matter of the assembly of "investment packages" by diverse organizations in geographical areas which emphasize urban-rural balance.

Project A-1968

Grant No. OER-577-G-77-22 (99-7-13384)

PLANNING FOR THE INTERORGANIZATIONAL NETWORKING OF A STATE ECONOMIC DEVELOPMENT COUNCIL



Final Report

by
Robert E. Collier
Senior Research Scientist
and
Project Director

Technology and Development Laboratory
Engineering Experiment Station
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This report was prepared for the Office of Economic Research, Economic Development Administration, U. S. Department of Commerce in fulfillment of contract OER-577-G-77-22 (99-7-13384). The statements, findings, conclusions, recommendations, and other data in this report are solely those of the grantee and do not necessarily reflect the views of the Economic Development Administration.

Technology and Development Laboratory
Engineering Experiment Station
GEORGIA INSTITUTE OF TECHNOLOGY
December 1977

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Acknowledgments

This project, which was directed by Robert E. Collier, involved the cooperative interaction of members of the Economic Development Council of Georgia and administrators and managers of member organizations. Several individuals deserve special thanks for their advice and assistance. Lieutenant Governor Zell Miller, Council Chairman, and Arthur Sterngold, Executive Director during the period January-July, 1977, were especially helpful in supplying information and assisting the project director in maintaining liaison with the Council.

A major contribution to the project was made by Ray MacNair, Ph.D., of the School of Social Work, University of Georgia. Dr. MacNair prepared Appendix C to the report and assisted the project director in keeping project work on a sound theoretical basis.

Valuable assistance also was furnished by Mary Edna Anders, D.L.S., who collaborated with the project director in the development of the approaches to methodology employed in the research phase of the project, in the development of survey instruments, and in the analysis and evaluation of research results.

Abstract

Background

Neither the United States nor the State of Georgia has a centralized, comprehensive economic plan and program administered by a hierarchy of governmental organizations operating within an authoritative system. Rather, the economic activity of the state and nation is conducted by a "conglomeration" of governments, public agencies, private enterprises, and advocacy organizations. Few, if any, lines of authority systematically link these organizations together for the orderly accomplishment of economic activity. Also, it appears that the establishment of good and continuing relationships and communication networks among and between development organizations is left largely to chance.

It seems that three options are open to state and national governments with respect to processes for economic development. First, the traditional mode can be utilized in which economic development processes and programs are accomplished by autonomous individuals, organizations, and governments, with little or no cooperative interaction, centralized coordination, or direction. Second, national and state economic planning programs can be developed, implemented, and administered through an authoritative formal set of governmental and quasi-governmental agencies and institutions. Third, individuals, agencies, and organizations can be encouraged to interact in a cooperative manner in the formulation and implementation of comprehensive economic development programs. The State of Georgia recently elected to follow the latter participatory course of action through the establishment of an Economic Development Council.

Nature of Project

The establishment of an Economic Development Council provided a unique opportunity and environment for applied research on interorganizational communication networks and processes within the framework of a diverse group of economic development organizations. The overall goals established for the project were: first, to facilitate and improve the cooperative interaction of Council members through improved networking processes; and second, to provide the Economic Development Administration an information base upon which determinations could be made relative to the need for additional applied research to improve communication and organizational networking of processes and programs involved in economic development.

Legislative Mandate

The Economic Development Council of Georgia was established by legislation proposed at the 1976 session of the General Assembly. Its overriding duty was to formulate comprehensive policy to encourage economic development in the state, as follows:

It shall be the duty of the council created by this act to encourage economic development within the State of Georgia. The council shall develop a policy of the state which will embody carefully ascertained economic growth and development objectives. Such objectives shall include provision for employment opportunities for all citizens in growth industries within the state, production of investment incentives, development of necessary statewide and local transportation, communication, education, housing, health services, and recreation needs; and methods, programs or means for the optimum utilization of human, natural and capital resources of the state.

Composition of Council

The Economic Development Council is composed of 16 individuals who were nominated for membership by the agencies and organizations specified in state legislation and were appointed by the Governor. Three other members were appointed at-large, respectively, by the Governor, the Speaker of the House of Representatives, and the President of the Senate. The legislation creating the Council identified the 16 organizations providing representation of the Council as organizations involved in various aspects of economic development. Council membership includes government agencies, governmental organizations, educational institutions, business associations, and professional associations.

Categories of Organizational Participation in Economic Development

Member organizations were selected for membership on the Council because they were engaged in some aspect of economic development. In order to investigate the interorganizational relations of member organizations, however, a clear understanding of the scope, type, and intensity of their participation in economic development was necessary. To accomplish this task, a data profile was developed for each organization.

Project research involved several categories of economic development processes and programs, as follows:

The first category, "resource areas," covers the elements and materials on which economic growth is based. This category includes: natural resources,

physical resources, and human resources. These resource areas, in turn, involve a series of economic sectors in which particular economic development programs may be designed and implemented.

A second category, which is of a sectorial nature, was identified to permit the study of discrete economic development processes and programs. Each economic sector relates to one or more of the resource areas described above. These sectors are industry, agriculture (agribusiness), service, tourism, forestry, fishing, distribution, general business, government services, and schools and vocational training.

A third category permitted the study of activities which organizations undertook to accomplish processes and programs. These activities included policy, research, planning, program implementation, legislative liaison, education and training, program evaluation, and technical assistance.

To gain some measure of the magnitude of organizational involvement in economic development, three types of interactions were used. Routine activity indicated that the organization was involved in a particular economic development category or activity at least on a monthly basis. Nonroutine involvement was defined as infrequent activity but within the scope of the mission. Exceptional activity was defined as that activity which was beyond the normal role of the organization, but a role that the organization would consider undertaking on an exceptional basis.

Member Participation in Economic Development

In the broad areas of natural, human, and physical resources, it was found that only one organization participates in all resource areas on a routine basis. The Georgia Planning Association reported that it usually participated in the broad planning areas rather than the more limited economic sectors. Because all economic sectors are related to one or more of the broad resource areas, most member organizations also have an interest in the areas as they related to their sectors of interest. However, it is noted that several state agencies which appear to be comprehensively involved in these resource areas are not represented on the Council.

Of the organizations reporting on participation in particular economic sectors, seven organizations indicated that they participated routinely in two sectors or less, five participated in three to five sectors, and one

participated in six sectors. No administrator reported that his organization participated on a routine basis in all 10 sectors. It was found that none of the member organizations participate on a routine basis in the fishing and forestry sectors. Based on available data, it is concluded that member organizations are generally participating in a narrow range of economic development sectors, and that no single organization exercises a comprehensive overview of the economic development field.

Eight major development activities were reported on by member organizations. With 15 organizations reporting on the eight major items, the possibility exists that there could be 120 possible types of involvement. The survey indicated that there were 105 involvements or over 87% involvement by the 15 organizations in the eight activities. Because the staff size of member organizations ranges from zero paid staff to over 1,500 employees, the foregoing findings raise a question as to the nature and intensity of member organization in specific development activities. It is concluded that data available for the assessment of member organization participation in specific development activities are not sufficiently accurate and comprehensive enough for an actual assessment of the level of participation of organizations in the several activities.

With respect to economic impact evaluation, it was found that member organizations do not appear to be opposed to evaluation in general and do conduct evaluations of their own operations and programs. However, the data to date do not provide sufficient information to make judgments concerning the value of such evaluations to Council operations. No evidence was found that the evaluations conducted by member organizations are utilized or can be utilized in the evaluation of activities of the economic development community. Nor is there any evidence that evaluation criteria and measurement units have any common basis among development organizations.

Interorganizational Relations Among Council Members

An essential task of this project was to identify existing communication networks currently employed by member organizations in their relationships with other Council members. The communication networking aspect of the project included not only the communication channels but communication points within organizations, communication vehicles, media, and control mechanisms.

Each organizational administrator was asked to indicate which organizations his organization communicated with, together with the frequency of such communication. No effort was made to determine the nature of such communication other than to ascertain that it pertained directly to the organization's principal involvement in economic development.

The actual or potential channels linking individual Council member organizations consist of 210 one-way channels or 105 two-way channels. Investigation indicates that administrators agree that 38 of the two-way channels are in use at either a routine or a nonroutine level of interaction. It also was agreed that some 13 two-way channels are not currently in use or are being used only occasionally. However, it was found that there is disagreement among administrators relative to the level of use of the remaining 54 two-way channels.

It was found that telephone communication and personal meetings between individuals are considered to be the most important communication vehicles used by Council members. Such vehicles are used primarily for interaction between organizations, however, rather than in interorganizational relationships of the Council. The newsletters, reports, and other documents published by member organizations offer the Council an existing capability that can be used in further developing the interorganizational networking of the Council. However, the extent to which such publications are presently being used by member organizations and their clientele is not fully understood.

Investigation revealed that a relatively large and complex system provides for information flows between and among Council member organizations. For the most part, the existing "networks" and communication channels serve the needs of individual organizations, but do not necessarily link groups of organizations together in any systematic fashion. So far as is known, the Council has not developed a formal communication system for its own use, but rather has communicated with individuals and groups on an informal, as-needed basis.

Summary of Findings

- o Member organizations tend to participate in discrete economic development sectors which are components of broader resource areas rather than in the broad areas.

- o Member organizations tend to participate in a relatively narrow range of economic development sectors; no individual organization participates in all sectors on a routine basis.
- o Member organizations do not participate in the forestry and fishing sectors on a routine basis; however, four organizations were involved in these sectors on a nonroutine basis.
- o Eighty-seven percent of the membership reported routine participation in all eight of the development activities concerned with the economic sectors; however, the findings of the investigation are not sufficient to provide a reliable assessment of the relative level of involvement in the several activities among the members.
- o Evaluation of program impacts on economic growth is being conducted by member organizations on an organizational basis; however, such evaluations do not appear to be used extensively in interorganizational program development, management, and improvement.
- o Communication channels and networks are operational between and among member organizations on a broad scale; however, there are differences in perceptions among organizational administrators concerning the utilization of such networks and channels.
- o Member organizations are publishing a variety of newsletters, reports, and other informational documents which appear to offer potential benefits to the Council at large as well as individual members. However, the nature of distribution and utilization of such media and publications among Council members is not fully understood.

Conclusions

The findings of this study confirm the lack of a comprehensive approach to economic development and emphasizes the importance of interorganizational communication in addressing problems of growth and development and the significant contribution an interorganizationally oriented organization such as the Council can make.

Based on investigative results contained in this report, it is concluded that the "council mechanism" inherent in the Economic Development Council of Georgia offers a viable approach through which intergovernmental/

interorganizational relationships can be improved throughout the economic development community of interests.

Member organizations and their clientele provide an open system which, if oriented towards cooperative interactive processes, can have a profound impact on economic development. It is concluded, therefore, that member organizations offer the Council a mechanism and capability through which it can develop a plan for the interorganizational networking of economic development processes, activities, and programs on a statewide basis.

Based on findings contained in this report, it is concluded that if a council "mechanism" is to be effectively used in economic development, additional research-based information must be made available to those who are involved in the functioning of such council-oriented operations.

The enabling legislation provided for the establishment of a formal organization that is not authorized to exercise any powers derived from the State. Member organizations serve different clientele, exercise varied responsibilities, and operate under varying management structures. The enabling legislation did not provide funding for staff or routine operating expenses of the Council. It is concluded, therefore, that success or failure of the Council to achieve its goals will depend on the cooperative interaction among Council members who are employees of member organizations associated with the Council.

Although this investigation has been focused on organizations concerned with economic development in only one state, the assumption that comparable organizations are functioning in each of the other states appear to be valid. It also appears to be reasonably valid that these organizations are involved in economic areas, sectors, and activities that have been described and investigated in this project. However, the nature of organizational participation in economic development and the interorganizational networking in such processes are not known. It is concluded that a full understanding at the national level of interorganizational processes in the various states is necessary if national economic programs concerned with subnational economic development are to be effective.

Finally, the principle of participatory exchange emerges from this study as an approach through which diverse organizations (public, private, and advocacy) can be joined by mutual consent to work efficiently, effectively, and

economically on publicly mandated goals. It is concluded that a strategy involving the principle of participatory exchange offers the possibility of an approach that can bridge gaps between organizations which will permit communication, efficiency, and autonomy to survive intact.

Recommendations

It is recommended that the Economic Development Council review the data, information, findings, and conclusions contained in this study with the objective of improving the cooperative interaction among Council member organizations on matters pertaining to economic development in the state of Georgia. Specifically, it is recommended that:

- o The Council identify obstacles that are inhibiting cooperative interaction among Council member organizations and initiate processes that will improve interorganizational relations.
- o The Council establish communication networks that will be responsive to its needs.
- o The Council develop methods for utilizing the member organizations' media/publications resources in Council programs.
- o The Council undertake studies relating to evaluation processes and programs used by member organizations with the objective of using evaluation results, where feasible, in Council program development and activities.
- o The Council formulate and conduct educational programs for its membership and for others in interorganizational relationships as they pertain to economic development processes and programs.

It is recommended that Council member organizations, on an individual basis, review their interorganizational processes and activities. Based on findings of such reviews and on the data and information contained in this report, it is further recommended that each organizational project, activity, or program that requires cooperative interaction with other member organizations be provided a plan for interorganizational relations development and implementation.

It is recommended that the Economic Development Administration give full recognition to the need for improved interorganizational relations among development organizations, governments, governmental agencies, advocacy groups, and the

private sector in the matter of economic development processes and programs. Specifically, it is recommended that:

- o Applied research be undertaken to broaden the base of interorganizational relations knowledge as it applies in the field of economic development.
- o Individual economic development programs sponsored by the Economic Development Administration require that the method of approach or work program for each project include provisions that will insure that interorganizational relations are given due consideration in both project development and implementation.
- o Investigations initiated by the current project with the Economic Development Council of Georgia be continued with emphasis placed on interorganizational relations applications in specific economic development sectors.
- o A project at the Federal region level be initiated to survey economic development interorganizational practices throughout the region with emphasis placed on the interaction between organizations and agencies that are involved in interstate and regional aspects of economic development.
- o A project be undertaken to test the feasibility of using the principle of participatory exchange in the field of interorganizational relations. Specifically, it is recommended that such a project consider the matter of the assembly of "investment packages" by diverse organizations in geographical areas which emphasize urban-rural balance.

INTRODUCTION

Background of Project

Neither the United States nor the State of Georgia has a centralized, comprehensive economic plan and program administered by a hierarchy of governmental organizations operating within an authoritative system. Rather, the economic activity of the state and nation is conducted by a "conglomeration" of governments, public agencies, private enterprises, and advocacy organizations. Few, if any, lines of authority systematically link these organizations together for the orderly accomplishment of economic activity. Also, it appears that the establishment of good and continuing relationships and communication networks among and between development organizations is left largely to chance.

Research confirms that managers and administrators prefer organizational autonomy and will engage in interaction with other organizations only when directed to do so or when their need for resources is so great that they must interact to produce the necessary results. When forced into situations where interorganizational action is necessary, they find little research-based knowledge is available to assist them in the design, establishment, and maintenance of effective interorganizational relationships, processes, and procedures. The inability of administrators and middle managers of agencies concerned with various phases of economic development to establish and maintain cooperative interaction with other development organizations may have contributed to the failure of some national economic development programs to achieve stated goals.

Difficulties created by inadequate communication networks have been recognized from time to time, and the federal government has attempted to improve intergovernmental functioning with some successes. For example, the White House Conference on Balanced National Growth and Economic Development to be held in Washington early in 1978 is structured around six themes, one of which will relate to intergovernmental relations. This theme is stated in the following question:

How can governmental institutions and processes be adapted to address problems which cut across jurisdictional boundaries, departmental lines, and levels of government? (1:7)

It is essential that effective intergovernmental relations be maintained at all levels of government and between all levels of government; however, basic

economic development issues and problems involve all sectors of society including governments. This condition requires the establishment and maintenance of interorganizational relations on a broad scale among governments, businesses, and special interest groups.

A special subcommittee on Economic Growth and Development of the Georgia House of Representatives observed that "there was insufficient coordination of economic development programs at the state and local levels and between the public and private sectors." (2) The subcommittee also concluded in its report that development programs are operated on a highly individualistic basis by organizational units with some duplication and no coordination for overall strategy, program, or direction. As a direct result of the subcommittee's report, the General Assembly of Georgia enacted legislation authorizing the establishment of an Economic Development Council. This Council, appointed in the fall of 1976, is composed of representatives of 16 economic development organizations specifically cited in the enabling legislation. Three additional members-at-large are also members of the Council. The formation of an organization-of-organizations such as the Economic Development Council appeared to provide an excellent universe in which to investigate certain hypotheses concerning interorganizational relationships in the development field and to offer an opportunity to assist the Council during its formulative state in developing appropriate interorganizational structures and processes.

General Nature of Project

The legislative action taken by the General Assembly to establish the Economic Development Council represents a mandate from the legislature for the development and coordination or clarification of a policy for economic growth and development in the state of Georgia. The Engineering Experiment Station's research staff recognized that the formation and establishment of a state economic council composed of development organizations would provide a unique opportunity and environment for carrying out applied research on interorganizational communication networks and processes as relating to policymaking within the framework of economic development organizations and their symbolic relationship under a state economic development council.

The proposed research project focused on two related basic assumptions. The first assumption was that, in the establishment of the Economic Development

Council by the legislature, the designated membership organizations represent an organization-of-organizations in a loose confederation within which active or passive participation on either the part of the member organizations or their representatives would greatly affect the successful operation of the Council. The second assumption was that member organizations prefer autonomy, and even where common goals and interest may exist, they may not actively interact with other organizations unless their need for additional resources is great and when no interaction or minor interactions fail to produce desired results. Based on these two assumptions and because the Council was in its formative state, it was felt that an informational base should be developed upon which a preliminary interorganizational networking plan could be formulated for the Council.

Project Goals and Scope

Because the Economic Development Council has only recently been established, it was felt that a rigorous research activity applied too early in the Council's formative period might prove to be counterproductive. As such, it was determined that program emphasis should be placed on developing basic organizational information, defining the research environment, and identifying parameters for future interorganizational study. Data and information derived from this basic research activity would be utilized to assist the Council in becoming more fully operational.

Two overall goals were established for the project. They were: first, to facilitate and improve the cooperative interaction of Council members; and second, to provide the Economic Development Administration an information base upon which determinations could be made relative to the need for additional applied research to improve communication and organizational networking of processes and programs involved in economic development.

The scope of the proposed work program was limited to the collection of essential data and information necessary to gain an understanding of the member organizations as each functionally relates to economic development. This aggregated information would then be utilized to stimulate or increase the cooperative interaction between member organizations necessary to meet the mission of the Council. Specifically, the scope of research included the following:

1. The identification of essential types of interorganizational activity associated with the mission, policy, and function of each

organizational element represented on the Council that were related to economic development.

2. The identification of present measures that member organizations were using to identify the economic impact of their activities in the field of economic development.
3. The identification of specific communication points within member organizations (persons, committees, branches, or other subordinate divisions) utilized in contacts or interaction with other member organizations or their clientele in economic development.
4. The identification of communication vehicles, media, and control mechanisms that organizations utilize in contacts and interaction with other Council members.
5. The identification of existing communication channels and networks currently utilized by member organizations in their contacts and interaction with member organizations.

Approach to Methodology

Several factors shaped the methodological approach utilized in this study. Initially, it was recognized that the parameters of the research universe must be clearly defined if research findings were to be meaningful. It was also recognized that the principal "players" in the universe must be prepared to cooperate in the research undertaking if the results were to be useful on a continuing basis. Although the matter of interpersonal relations of member organization representatives is important and the effects of group dynamics of participating individuals are recognized elements of interorganizational relations, the project work program was designed primarily to be concerned with the interaction of member organizations in economic development processes and programs. A number of variables affect the interaction between and among organizations. The research undertaken in this project is concerned exclusively with communication and communication networking as related to an array of economic activities undertaken by organizations both on a unilateral and inter-organizational basis.

Finally, it was recognized that because the Council was a "new" organization with voluntary membership, there were no historical data or information

relating to its interorganizational activity pertaining to the Council. Thus, it was recognized that the methodology to be employed in the project must focus initially on each member organization before the matter of interorganizational relations could be subjected to research. Because the Council was a new organization, it was also recognized that member organizations, in some instances, may not yet have developed common interests and concerns in dealing with other members and may, in fact, have reservations concerning the Council's stated objectives.

Initially, it was decided that the approach to be employed in project research should have the following general characteristics:

- o Project methodology should be as simple and straightforward as possible.
- o Project research should not be accomplished in isolation, but should involve Council leadership and the membership whenever possible.
- o Research findings and/or suggestions for improvement in interorganizational functioning of Council members should be furnished the Council as they become available so that the Council could consider their use in current planning and operations.

The research methodology involved the collection of data and publications from member organizations, from which pertinent data were developed for inclusion in organization profiles. These profiles were then reviewed by respective member organizations for accuracy. The project director attended most of the organizational meetings and task force committee meetings from which general observations were made. Finally, each member organization administrator was interviewed to collect additional needed information and to verify existing information.

COUNCIL OBJECTIVES, POLICIES, AND ORGANIZATION

Purpose

The purpose of this section of the report is to describe the events leading to the establishment of the Economic Development Council of Georgia, its objectives and policies, the characteristics of its member organizations, and its operational structure.

Background

An official recommendation to establish an Economic Development Council was made by a special subcommittee on Economic Growth and Development of the Georgia House of Representatives in its final report of November 21, 1975. That subcommittee met extensively throughout Georgia in 1975 to hear public testimony concerning problems of and opportunities for economic development. Through these hearings, the subcommittee identified four major needs that were not being met by the state's existing economic development organizations:

1. There was insufficient coordination of economic development programs at the state and local levels and between the public and private sectors. The subcommittee concluded: "Another characteristic of the present programs is that they are operated on a highly individualistic basis by the organizational units with some duplication and no coordination for overall strategy, program or direction. No office or organization is responsible for coordinating public economic development activities in our state."
2. Economic development policies and practices were not sufficiently responsive to changing economic conditions and trends. The subcommittee found in discussions with many of these organizations that the activities they are now conducting and intend to undertake in the future are the same as those they have pursued in the past. In other words, though economic conditions and competitors have changed, many intend to continue on a "business as usual" basis. The subcommittee also expressed "grave reservation that the development programs that were successful in the boom of the 1960's and early 1970's will prove equally successful in the changed conditions of the late 1970's."

3. There was a lack of common priorities among the numerous economic development programs in Georgia, resulting in too much diffusion of resources and efforts. In testimony to the subcommittee, one official stated that a "problem is the question of the allocation of limited resources among the state practitioners of economic development and the evaluation of that allocation's effectiveness."
4. There was inadequate research and analysis of economic conditions and trends in Georgia, preventing development practitioners from focusing their marketing efforts on specific targets that could produce the greatest benefits. The subcommittee found that "targeted research on 'best bets' for industrial and business location and expansion for Georgia is rare, especially in recent years."

Although these problems had been recognized by lawmakers for several years, the economic recession of 1974-75 helped focus the General Assembly's attention on the need for a coordinating vehicle to solve them. Such a body would have to be a cooperative effort of the private and public sectors and of state, substate area, county, and municipal levels of government. The subcommittee concluded that:

Coordination of the state's public and private economic development activities is nonexistent. A vehicle for accomplishing this effort is vital to our future efforts. Creation of an Economic Development Council, headed by the Lieutenant Governor, would be one method of accomplishing this task.

The Economic Development Council of Georgia was subsequently established by legislation proposed at the 1976 session of the General Assembly. Its overriding duty was to formulate comprehensive policy to encourage economic development in the state. (3:1998) According to Section II of the enabling legislation:

It shall be the duty of the council created by this act to encourage economic development within the State of Georgia. The council shall develop a policy of the state which will embody carefully ascertained economic growth and development objectives. Such objectives shall include provision for employment opportunities for all citizens in growth industries within the state, production of investment incentives, development of necessary statewide and local transportation, communication, education, housing, health services, and recreation needs; and methods, programs or means for the optimum utilization of human, natural and capital resources of the state.

Council Objectives

By Executive Order, Governor George Busbee appointed members of the Economic Development Council on September 30, 1976. (4) At the organizational meeting held on October 20, 1976, Lieutenant Governor Zell Miller, Chairman of the Council, outlined approaches he felt the Council should consider in formulating its objectives, policies, and programs. Subsequently, the Council and its staff defined two principal goals. The first, based on its legislative mandate, was to formulate comprehensive economic development policy for the state of Georgia. The second goal was to help coordinate the numerous economic development programs that operate in Georgia, in the public and private sectors and at the local and state levels. The very establishment of the Council was a step toward the realization of this second objective, in that it formally brought together for the first time many of the statewide organizations that comprise Georgia's economic development community.

The Council's primary goal of policy formulation and coordination was considered broad and difficult to achieve and, since its organizational meeting, the Council has worked to develop subordinate objectives to guide its activities during its first year of operation. These objectives include the following:

1. Identify the state's existing economic development policies and programs, including unstated policies that operate in the program structure of functional agencies, and evaluate those programs and policies in light of economic conditions and trends;
2. Identify issues of strategic importance to the future course of economic development in Georgia and study a small number of these issues in depth to produce concrete policy recommendations;
3. Recommend economic development priorities and targets so that organizations can work together to achieve the "critical mass" of resources and effort necessary to realistically influence the course of economic events;
4. Ascertain and communicate the viewpoint of the broad economic development community in Georgia as regards important economic development issues;
5. Identify and develop mechanisms to implement economic development policy at the state and local level and in the public and private sectors;

6. Draw upon economic research and models in the State University System and other research organizations as the basis for more rational economic development policymaking at the state level and help translate economic research and models into forms that are useful to state policymakers;
7. Promote greater awareness and public consensus on major economic development issues and work to reduce misunderstanding and unnecessary conflict over those issues; and,
8. Serve as a public forum to listen to citizens' concerns regarding economic development in Georgia, to exchange ideas, and to explore economic choices and alternatives for the state.

These eight objectives comprise an ambitious and long-term program of work and were ones to which the Council's organizational makeup and diversity of talent seemed well suited. In its first year, the Council planned to meet these objectives through the policy approach and task force structure described in the following sections.

Policy Approaches

At its first several meetings, the Council concerned itself with defining the most effective approach it could take to state economic development policymaking. Through its staff, the Council had contacted over a dozen similar policymaking bodies in other states to determine what policy approaches had proven most successful. This effort was augmented by extensive staff research and contact with federal agencies and national associations.

Based on its research and findings, the Council chose a "strategic issues" approach to policymaking. (5) This involved the identification of a small number of issues of critical importance to the future course of economic growth and the formation of task forces to study these issues in depth. After lengthy examination and discussion of issues, the Council decided to focus initially on:

1. The impact of energy shortages on economic activity and development;
2. Environmental constraints to growth;
3. The impact of new natural resource development on patterns of growth;
and,
4. Methods of policy implementation.

These were issues which the Council felt would have a critical impact on the future course of economic development and, equally important, were issues to which the Council was organizationally capable of helping to find solutions.

The Council is a policy formulating and coordinating body and is not equipped to do original research. Rather, in dealing with these strategic issues, the Council adopted a five-point approach:

1. Coordinate and draw upon the expertise of other organizations in Georgia and elsewhere that are working on these same issues;
2. Gather, organize, and evaluate existing data and research;
3. Identify questions that need further study and encourage the necessary applied research;
4. Provide objective and critical overview of current plans, policies, and programs that deal with these issues; and
5. Recommend concrete and practical policies.

The Council was sensitive to the gap that often exists at the state level between policymaking, on the one hand, and implementation and results on the other. Because the Council's membership includes all levels of government and spans both the public and private sectors, it was strategically organized to help bridge this implementation gap. A major emphasis of the Council's continuing work will be to identify and nurture methods of implementing the policies it recommends.

Also, the Council recognized the opportunity for greater cooperation between researchers in the University System and government policymakers in developing a more rational approach to economic development policy and decision making. The Council hopes to work with university research staff members in translating research findings and models into operational forms that will be useful to state-level economic policymaking. At the same time, the Council continues to identify issues that would require further analysis and encourages applied research on those issues.

Operating Objectives

As a result of its deliberations concerning policy approaches, the Council developed a series of primary operating objectives supported by subordinate objectives. The following objectives were adopted on May 5, 1977:

Primary Objectives

- o Support, formulate as necessary, and advance economic development policies and goals for the state of Georgia.
- o Encourage coordination of economic development policies and programs in the public and private sectors, and at the state and local levels.
- o Advise the Governor and General Assembly on matters pertaining to economic development.
- o Promote greater public awareness and understanding of state, regional, national, and international economic development issues and opportunities.

Subordinate Objectives

- o Identify the state's existing economic development policies and programs, including unstated policies that are implicit in the program structure of functional agencies, and evaluate those policies and programs in light of realistic economic conditions and trends.
- o Identify and review a selected number of issues of strategic importance to the future course of economic development in Georgia and make concrete policy recommendations to help resolve these issues.
- o Draw upon professional capabilities in the University System, government agencies, and other resource organizations to help identify, analyze, and find solutions to economic development problems in Georgia.
- o Identify, encourage, and propose mechanisms to implement economic development policies at the state and local levels and in the public and private sectors.
- o Review, integrate, and communicate the viewpoint of the broad economic development community on important economic development issues.
- o Serve as a public forum to listen to citizen input regarding economic development, to exchange ideas, and to explore economic choices and alternatives.

Composition of the Council

The Economic Development Council is composed of 16 individuals who were nominated for membership by the agencies and organizations specified in state legislation and were appointed by the Governor. Three other members were appointed at-large, respectively, by the Governor, the Speaker of the House of Representatives, and the President of the Senate. The legislation creating the Council identified the 16 organizations providing representation of the Council as organizations involved in various aspects of economic development.

Individual members not only bring to the Council their experience, expertise, and personal views concerning economic development, but they also bring the policies and views of the organizations they represent. While they, as individuals, serve to provide guidance as a whole and to furnish coordination among the membership, it can be assumed that each individual member will not only reflect the views and policies of the organization from which appointed, but will serve the interest of that organization as that person perceived such interest. Thus, it can be further assumed that the characteristics, policies, and programs of each Council member organization will have a profound and continuing effect on Council policies, programs, and operations.

The initial Council organization is illustrated in Figure 1. Essentially, the organization consists of member organizations, their representatives who serve as members of the Council, a Council staff, and four task forces. These organizational elements are discussed in the following paragraphs.

Based on these initial data, it was determined that the 16-member organization was one with a diverse basis for considering economic development in Georgia. It was believed that it would be useful if the organizations involved with the Council could be placed in categories for consideration in fields of specific interest. Initially, each member organization was placed in one of five categories as follows:

o Government Agencies

State Office of Planning and Budget (OPB)

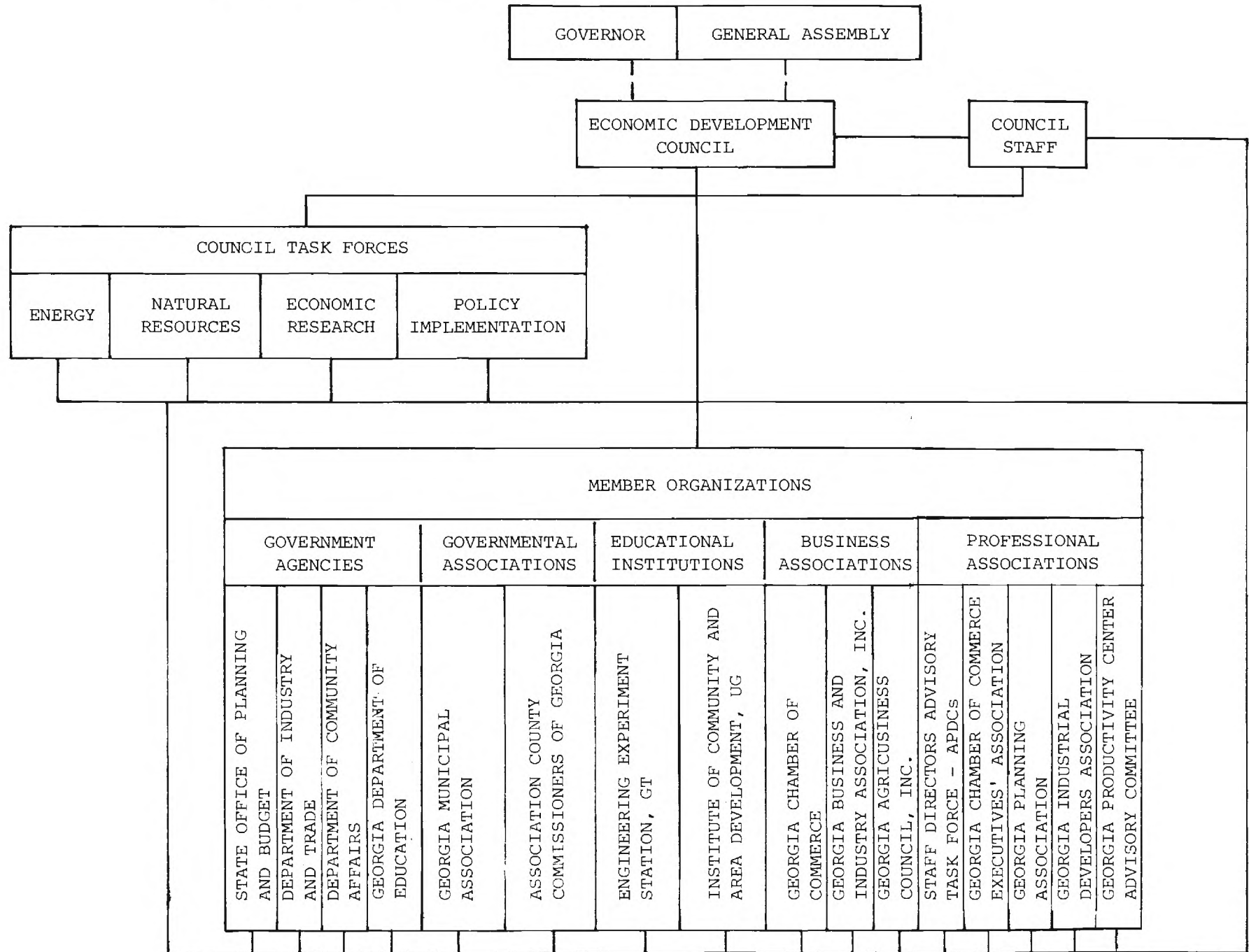
Department of Industry and Trade (I&T)

Department of Community Affairs (DCA)

Georgia Department of Education (GDE)

Figure 1

ORGANIZATIONAL ELEMENTS OF THE ECONOMIC DEVELOPMENT COUNCIL OF GEORGIA



o Governmental Associations

Georgia Municipal Association (GMA)

Association County Commissioners of Georgia (ACCG)

o Educational Institutions

Engineering Experiment Station (EES), Georgia Institute of Technology

Institute of Community and Area Development (ICAD), University of Georgia

o Business Associations

Georgia Chamber of Commerce (GCC)

Georgia Business and Industry Association, Inc. (GBIA)

Georgia Agribusiness Council, Inc. (GAC)

o Professional Associations

Georgia Planning Association (GPA)

Georgia Chamber of Commerce Executives' Association (GCCEA)

Georgia Industrial Developers Association (GIDA)

Staff Directors Advisory Task Force, State Advisory Committee on Area Planning and Development (APDC) (Initially, Georgia Regional Executive Directors' Association)

Georgia Productivity Center Advisory Committee (GPCAC)

Organization Profiles

It was recognized that the initial categorization of member organizations was a first step and one subject of further confirmation. Specific roles, types of economic development activities, and interrelationships among member organizations could not be immediately identified. The next step was to develop a standardized profile which would generally describe member organizations with respect to the nature of their primary role in economic development, their organizational nature, and their structure. The following types of information were sought for each member organization:

- o Organization Name
- o EDC Representative
- o Purpose or Objective
- o Activities
- o Organizational Characteristics
- o Operational Structure

- o Membership or Clientele
- o Media/Publications

Based on the data and information it supplied initially, a draft of the profile was prepared for each organization and submitted to that organization for approval. During the preparation of the profiles it was determined that the initial categorization of the organizations was essentially correct. However, during the period, the Georgia Regional Executive Directors' Association was reorganized and its name changed to the Staff Directors Advisory Task Force. Organization profiles of Council members are contained in Appendix A.

Organizational Characteristics

The organizations composing the membership of the Council are diverse in nature, ranging from the large bureaucratic governmental institution to the small membership organization with no paid staff members. The staffing patterns of the member organizations have a direct effect on the economic development functions performed by the organizations and their interaction with other organizations.

Government Agencies. Four state government agencies provide membership on the Council. The Department of Industry and Trade (I&T) and the Department of Community Affairs (DCA) have purposes or objectives most specifically and directly related to economic development. The Office of Planning and Budget (OPB) is involved in economic development from an overall state policy planning and inter-governmental relations approach, while the State Department of Education (SDE) is involved in economic development from a broad educational viewpoint. It is noted that other state departments which are not member organizations of the Council also have a role to play in economic development. Four of these agencies are the Department of Natural Resources, the Department of Human Resources, the Department of Labor, and the Department of Transportation.

The four government organizations involved with the Council have staffs ranging from 52 to 173, excluding the Department of Education which has over 1,500 employees. These organizations have the typical hierarchically arranged bureaucratic structure and appear to function in the usual fashion of formal organizations. The two educational institutions (see below) are similarly organized and staffed. Thus, organizational interaction among the organizations in the two groups follows along the accepted intergovernmental patterns.

Government Associations. Two government associations supply membership on the Council. These are basically advocacy organizations representing the interest of local governments. The Association County Commissioners of Georgia (ACCG) was established to serve the interest of county governments, while the Georgia Municipal Association (GMA) was established to serve the interest of municipal governments. Both represent their constituent membership in legislative matters; they also provide services to their membership.

Government and business associations have small but paid staffs; the staff sizes in these organizations range from two to 17 employees, thus limiting the scope of their activities as compared with the larger governmental and educational organizations.

Educational Institutions. The University System of Georgia is represented on the Council by two organizations. The Engineering Experiment Station (EES) of the Georgia Institute of Technology and the Institute of Community and Area Development (ICAD) of the University of Georgia have been involved in economic development in the state for a number of years. As implied in its name, ICAD has been involved in the broad field of community and area development with the objective of bringing university resources to bear on problems of communities, areas, and the state. EES has applied engineering technology and other scientific disciplines to the pursuit of economic development.

Business Associations. Three business associations are represented on the Council. The Georgia Chamber of Commerce (GCC) and the Georgia Business and Industry Association (GBIA) are advocacy organizations supporting the views of businesses and concerns in the private market sectors of society. The Georgia Chamber of Commerce is a statewide association of business firms, trade associations, and local chambers of commerce. Practically speaking, the Georgia Chamber is an organization of organizations. The Georgia Business and Industry Association is a voluntary association of individuals, firms, companies, and cooperations engaged in business for profit. The Georgia Agribusiness Council (GAC) serves as a promoter and representative for agriculture and agribusiness in the state. Its primary role is an advocacy role, although it does furnish some services to its members.

Professional Associations. Five associations representing professional people who are employed in some way in the field of economic development are members of the Economic Development Council. The Georgia Chamber of Commerce

Executives' Association (GCCEA) represents individuals who are employed in chamber of commerce work throughout the state. The Georgia Planning Association (GPA) and the Georgia Industrial Developers Association (GIDA) represent individuals who, for the most part, are employed in economic, physical and social planning, and economic and industrial development in organizations throughout the state.

The Georgia Productivity Center Advisory Committee (GPCAC) serves as an advisory and evaluation group for the Georgia Productivity Center, which was established at the Engineering Experiment Station in response to a resolution passed by the House of the General Assembly of Georgia. The Staff Directors Advisory Task Force of the Area Planning and Development Advisory Committee, formerly the Georgia Regional Executive Directors' Association, represents the professional interest of planners and developers associated with the 18-area planning and development commissions in the state.

With the exception of the Georgia Planning Association, the professional associations have no paid staffs and must depend on the volunteer efforts of elected officials to carry out their activities. Consequently, the capability of the professional organizations to interact in the economic development field is somewhat limited.

All member organizations were established under some form of authority and each is accountable to some other office or to a duly established authority for their actions. These accountable agencies have been identified in the organizations' profiles which are contained in the supplement to this report.

Membership or Clientele. Each member organization has some form of clientele to which it is responsive. The governmental agencies are responsive to diverse groups ranging from the Governor and legislative bodies to the public in general. Likewise, the educational institutions respond to the needs of a diverse clientele. On the other hand, the governmental, business, and professional associations have a much more limited clientele. Both the governmental organizations are advocacy organizations for particular governmental groups. Similarly, the business organizations serve as advocacy and service units to business-related activities. Both types of organizations have member organizations as well as individuals whom they serve.

With the exception of the government and educational organizations, the member organizations of the Council are really organizations of organizations.

Such an arrangement furnishes an in-house mechanism for maintaining relationships. In order for these mechanisms to be used effectively, individuals serving on the Council must communicate appropriately.

Task Force Organization

The Council established four task forces within its organizational structure to assist in carrying out its objectives and policies. (6) The first two forces focus on issues of critical importance to economic development in Georgia.

The Energy Task Force deals with the impact of energy shortages on economic development and activity in Georgia and focuses on such issues as: 1) continued industrial activity and growth in light of long-run energy problems and competition from energy-rich states, and 2) compatibility of state and substate industrial and tourism promotion practices with realistic energy constraints. The task force reviews the economic impact of alternative energy technologies and strategies and recommends "best bet" solutions from an economic development standpoint.

The Natural Resource Management Task Force focuses on environmental constraints to growth, such as water supply and quality, soil and sediment erosion, and aesthetic factors. The task force also deals with the stimulating effects on growth of new resource development, such as the economic potential of alumina production from kaolin. The task force reviews industrial development and promotion practices in light of these natural resource considerations and recommends optimal patterns of growth and environmental protection.

The Policy Implementation Task Force works with the two issue-oriented task forces on developing methods to implement the Council's policy recommendations at the state and local levels and in both the public and private sectors. Because of the difficulty that exists in implementing economic development policy at the state level, the Council decided to formalize the function of identifying and nurturing implementation mechanisms through a separate task force structure.

Finally, the Economic Research Task Force 1) works with economic modelers and analysts in the State University System to translate their research into a form that can be used by state decision makers as a basis for more rational policy decisions, 2) serves as an economic "early warning system" to identify emerging economic issues and crises, and 3) encourages applied research in the

State University System and other research organizations on important economic issues facing the state.

The several task forces met on a monthly basis during the period June through August 1977. Detailed information concerning the task forces is contained in Appendix B.

Summary of Council Activities

Council membership was appointed by Governor Busbee on September 30, 1976. The organizational meeting of the Council was conducted on October 20, 1976. At the initial meeting, Lieutenant Governor Zell Miller, Council Chairman, outlined his views on the purposes and proposed approaches that he felt the Council should consider.

During subsequent meetings in the fall and winter of 1976-77, the Council examined the roles, missions, and policies of member organizations with respect to economic development. Also, nonmember organizations which appeared to have roles or missions associated with economic development were considered.

The enabling legislation establishing the Council did not provide financial support for a staff and for routine operations. However, the services of Arthur Sterngold were made available to the Council as executive director during the period January to July 1977. Since July 1977, operational matters are being handled by the Office of the Lieutenant Governor.

The Council's objectives and policy approaches were developed during the spring of 1977, and four task forces were appointed to plan program approaches in specific areas to implement Council policies. Task force plans were submitted to the Council for consideration.

In summary, it appears that the Council's activities during its first year of operation were essentially directed towards the development of its policies and programs. Its activities indicate that there has been a continuing search for more specific role definition for the Council.

Findings

It seems that three options are open to state and national governments with respect to processes for economic development. First, the traditional mode can be utilized in which economic development processes and programs are accomplished

by autonomous individuals, organizations, and governments, with little or no cooperative interaction, centralized coordination, or direction. Second, national and state economic planning programs can be developed, implemented, and administered through an authoritative formal set of governmental and quasi-governmental agencies and institutions. Third, individuals, agencies, and organizations can be encouraged to interact in a cooperative manner in the formulation and implementation of comprehensive economic development programs. The State of Georgia recently elected to follow the latter participatory course of action.

A review of the data and information concerning the 16 organizations that provide membership to the Council shows that the enabling legislation authorized the establishment of a formal organization that is not provided any powers derived from the State and that member organizations serve different clienteles, exercise varied responsibilities, and operate under varying management structures. The review concludes, therefore, that the success or failure of the Council to achieve its goals will depend on the cooperative interaction among Council members and among and between member organizations associated with the Council.

PARTICIPATION OF COUNCIL MEMBERS IN ECONOMIC DEVELOPMENT

Purpose

The purpose of this section is to describe the nature and extent of participation of member organizations in economic development as a basis for investigating the present and potential abilities of member organizations to interact cooperatively with one another with respect to economic development processes and programs in Georgia.

Introduction

Obviously, organizations were selected for membership on the Council because they were engaged in some aspect of economic development. In order to investigate the interorganizational relations of member organizations, however, a clear understanding of the scope, type, and intensity of their participation in economic development was necessary. To accomplish this task, a data profile was developed for each organization (Appendix A). Each profile provides a description of the purposes and objectives of the organization and its general activities. It should be noted that it was necessary to verify and amplify some of the information submitted by the organization prior to its inclusion in the profile, although in-depth research was not possible. Specifically, in order to collect data that would identify the precise participation of organizations, significant facets and elements of economic development needed to be defined. Therefore, for the purpose of this study, three major categories or characteristics were defined and adopted as a basis for analyzing the participation of organizations. This characterization was based on the approach used by Fernstrom (7:19).

The first category, "resource areas," covers the elements and materials on which economic growth is based. This category includes natural resources, physical resources, and human resources. These resource areas, in turn, involve a series of economic sectors in which particular economic development programs may be designed, implemented, and administered.

A second category, which is of a sectorial nature, was identified to permit the study of discrete economic development processes and programs. Each economic sector relates to one or more of the resource areas described above, and is implemented through the activities listed below. The economic sectors included in this study are as follows:

- o Industry
- o Agriculture (Agribusiness)
- o Service
- o Tourism
- o Forestry
- o Fishing
- o Distribution
- o General Business (Less Distribution)
- o Infrastructure - Government Services
- o Infrastructure - Schools and Vocational Training

A third category permits the study of activities which organizations undertake to accomplish processes and programs associated with the resource areas and the economic sectors. These activities include:

- o Policy
- o Research
- o Planning
- o Program Implementation
- o Legislative Liaison
- o Education and Training
- o Program Evaluation
- o Technical Assistance

Because the present universe was rather small and because the conventional mailed questionnaire was considered unsuitable for the research to be undertaken, the interview technique was used. An interview schedule was developed and utilized to collect requisite information concerning member organizations' current involvement in economic development. Basically, the three categories described above provided the key elements in the survey instrument. To gain some measure of the magnitude of organizational involvement in economic development, three types of interactions were applied as a general measure of activity. These types of interactions were designated as routine, nonroutine, and exceptional.

Routine activity was defined as organizational or interorganizational activity carried out as a matter of routine business or operation in compliance with law, organization rules or by-laws, or organizational policy. Routine activities were restricted to activities occurring at least once a month.

Nonroutine activity was defined as that activity that occurred from time to time in the usual order of business but not as frequently as routine activity. Exceptional activity was considered to be organizational or interorganizational activity that occurred so infrequently and was of such a nature that it required a specific management decision prior to organizational involvement in the activity.

The interview phase of the project investigation involved 15 member organizations. The Georgia Productivity Center Advisory Committee was not fully activated and did not participate in the interview phase. Interviews were conducted with the principal administrator of the organization or his immediate representative, with the exception of the Office of Planning and Budget. In this latter case, the OPB Council member represented the agency. In seven of the 15 organizations, the Council member was also the principal administrator of the organization he represented.

Organizational Participation in Resource Areas

As a first step in determining the participation of each organization in economic development, a general determination was made with respect to the economic resource areas in which participation was possible. Each organizational representative was asked the question, "In which of the following economic resource areas is your organization presently participating: natural resources, physical resources, or human resources?" The nature of involvement was also sought. As was expected, each responding organization indicated that its organization was participating in one or more of the resource areas. Thus, if an organization was routinely participating in the industry sector, it could also be involved to some extent in each of the resource areas, such as natural resources for productive enterprises, physical resources such as roads and railroads, and in human resources to include training activities. The Georgia Planning Association was the only organization to indicate that its activity was limited to general activities in the three resource areas and, consequently, was not involved in specific activities in the economic sectors. Several major state agencies whose primary activities relate to the resource areas are not members of the Council. These agencies are the Department of Natural Resources, the Department of Human Resources, the Department of Labor, and the Department of Transportation.

Organizational Participation in Economic Sectors

To relate organizational activity to more specific economic development processes and programs, each administrator was asked to identify the sector or sectors in which his organization was participating. Administrators were also asked to assess the degree of involvement in terms of whether the involvement was on a routine basis (involvement at least once a month), or whether the involvement was infrequent but conducted as a matter within the organization's policy. The sectors considered during the interview phase of the project are listed above.

The responses to the questions asked concerning the development sectors were the subjective judgments of the respondents. Little analytical data were available to corroborate such answers, especially with respect to frequency of involvement. Thus, data reflect the unverified opinions of the respondents.

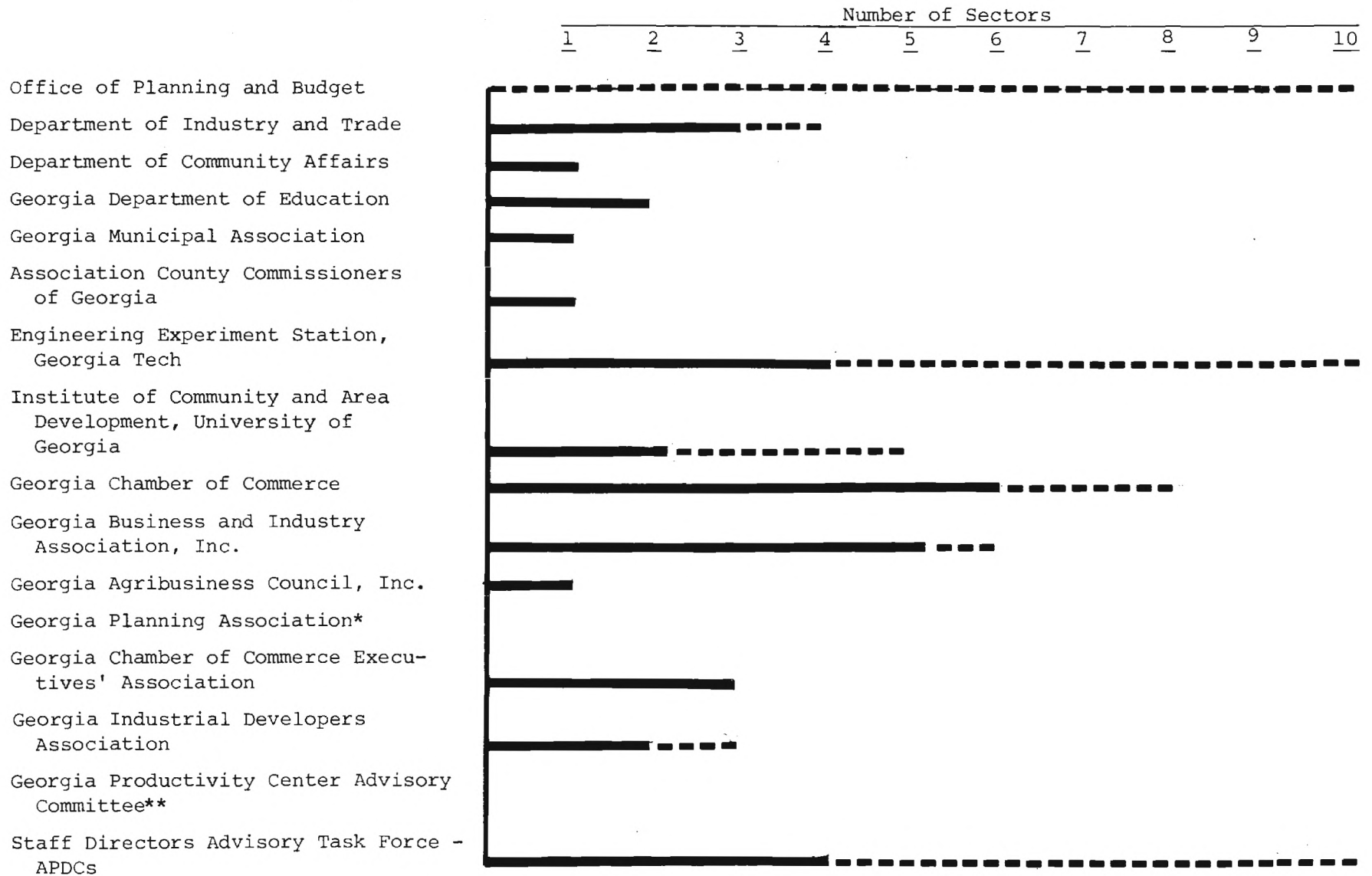
Table 1 shows the number of economic sectors in which member organizations reported participation and the level of their involvement. This table indicates that the number of sectors in which any one organization participates ranges from one to ten. Of the 13 organizations reporting "routine participation" in particular economic sectors, seven reported participation in two sectors or less, five reported participation in from three to five sectors, and one organization reported participation in over five sectors.

Generally, EDC organizations tend to concentrate routinely on a small number of sectors which appear to be related to their primary mission. Most of the organizations routinely do not become involved in more than five sectors. In those instances where organizations record wider participation, their involvement is on a nonroutine basis. For example, the Engineering Experiment Station and the Staff Directors Advisory Task Force noted wide participation, but the involvement is split about equally between routine and nonroutine involvement. The Office of Planning and Budget reported a wide overview participation in all economic sectors, but the involvement is principally of a nonroutine nature.

The size of an organization's staff does not seem to be a factor in determining whether an agency routinely participates in an economic sector. However, it can be inferred that the frequency of activity in a particular sector increases with the size of the staff.

Table 1

EDC MEMBER ORGANIZATIONS, NUMBER OF ECONOMIC SECTORS
IN WHICH THEY ARE INVOLVED, AND LEVEL OF INVOLVEMENT



----- Routine
Involvement

----- Nonroutine
Involvement

* Does not participate in sectorial planning.

** Did not participate in this phase of investigation.

Figure 2 displays for each specific economic sector the individual organizations that noted participation in that sector and indicates the level of their involvement. Table 2 summarizes the organizational participation by level of involvement in each sector. According to the data recorded in Figure 2 and Table 2, at least four of the organizations covered reported participation on either a routine or nonroutine basis in each of the 10 sectors. For only four sectors, however, did as many as four organizations note routine activity, and there were two sectors (forestry, fishing) for which no organization specified routine participation. The sectors in which the largest number (9) of organizations notes participation were industry and government services.

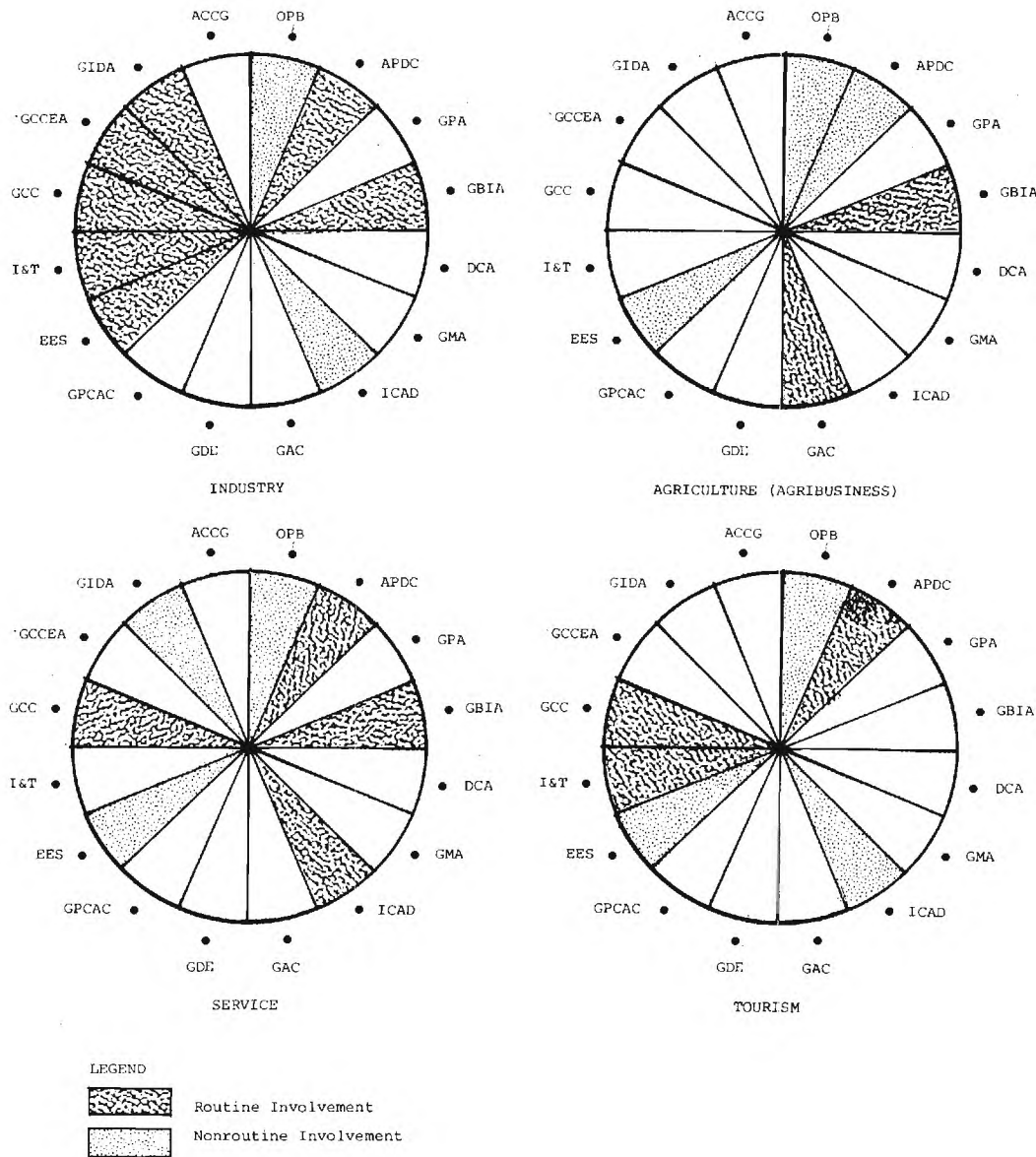
Table 2
NUMBER OF ORGANIZATIONS PARTICIPATING IN ECONOMIC SECTORS
BY LEVEL OF INVOLVEMENT

<u>Sectors</u>	<u>Number of Organizations</u>		
	<u>Routine</u>	<u>Nonroutine</u>	<u>Total</u>
Industry	7	2	9
Agriculture (Agribusiness)	2	3	5
Service	4	3	7
Tourism	3	3	6
Forestry	-	4	4
Fishing	-	4	4
Distribution	3	5	8
General Business	5	2	7
Government Services	7	2	9
Schools - Vocational Training	3	3	6

Organization Participation in Development Activities

Organization participation in resource areas and economic sectors requires that they be concerned with a series of activities. For the purpose of this study the activities were divided into investigative areas to include policy, research, planning, program implementation, legislative liaison, education and training, program evaluation, and technical assistance. Fifteen member organizations were asked to report on their participation and the level of involvement in the eight developmental activities. If all organizations participated in

Figure 2
ECONOMIC DEVELOPMENT SECTORS BY ORGANIZATIONAL PARTICIPATION
AND LEVELS OF INVOLVEMENT

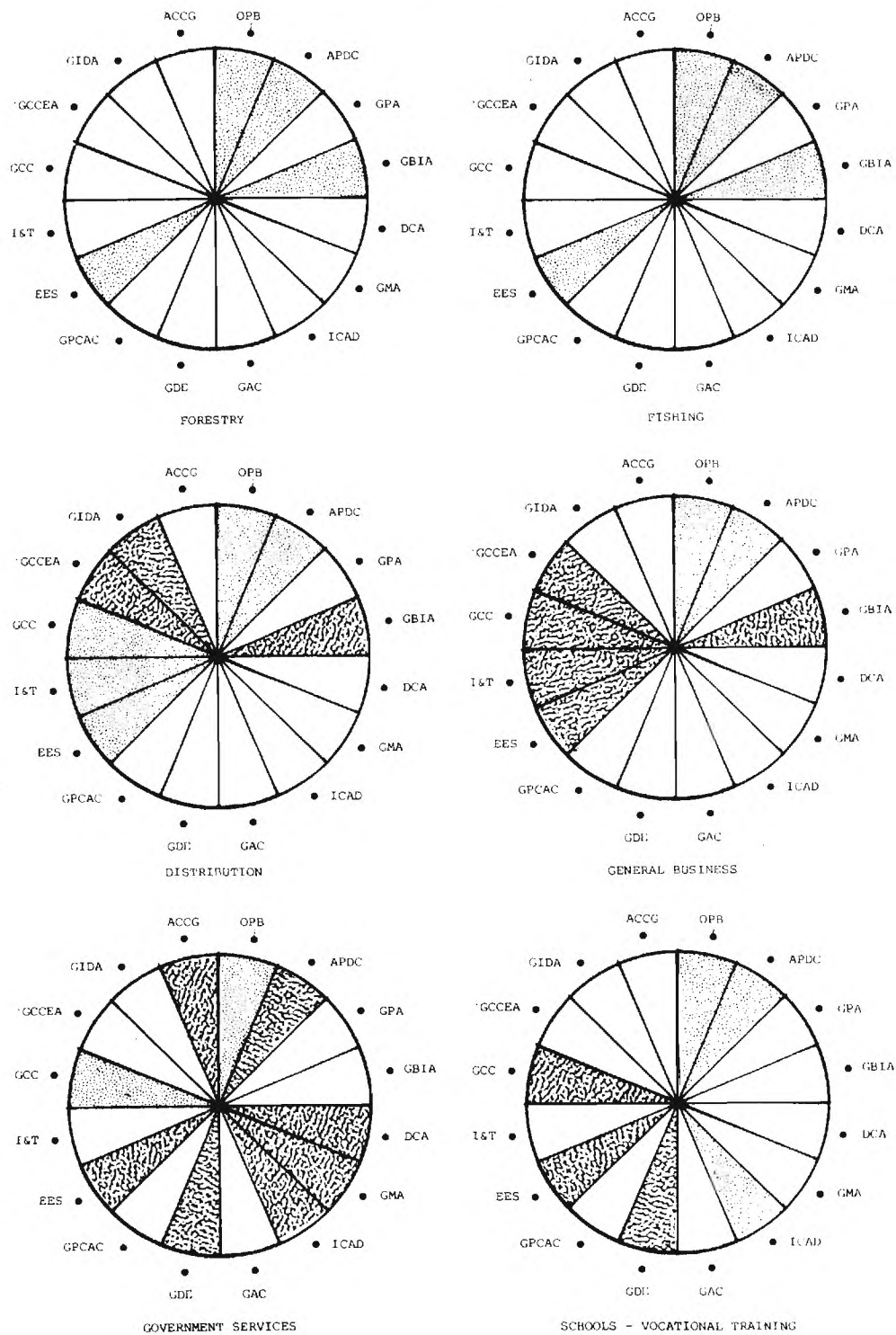


ORGANIZATION ABBREVIATIONS

OPB - Office of Planning and Budget
I&T - Department of Industry and Trade
DCA - Department of Community Affairs
GDE - Georgia Department of Education
GMA - Georgia Municipal Association
ACCG - Association County Commissioners of Georgia
EES - Engineering Experiment Station, Georgia Institute of Technology
ICAD - Institute of Community and Area Development, University of Georgia

GCC - Georgia Chamber of Commerce
GBIA - Georgia Business & Industry Association, Inc.
GAC - Georgia Agribusiness Council, Inc.
APDC - Staff Directors Advisory Task Force, State Advisory Committee on Area Planning and Development
GPA - Georgia Planning Association, Inc.
GCCEA - Georgia Chamber of Commerce Executives' Association
GIDA - Georgia Industrial Developer's Association
GPCAC - Georgia Productivity Center Advisory Committee

Figure 2 (Continued)



each of the eight activities, the probability of 120 participations existed. Organizations reported 105 routine participations in the eight activities.

Again, the diversity of the organizations covered in the survey made it very difficult to obtain data that were universally applicable. For example, the policy activity is complex at the outset. Governmental organizations may in fact set state policies, while other organizations may only monitor and recommend. It was found that all but two respondents believed that their organization was involved in the policy process. However, most organizations reported that their primary activity in this area was in policy monitoring and in recommending insofar as state economic development policies were concerned. Two state agencies, the Office of Program and Budget and the State Department of Education reported that they were involved in policy adoption. The Georgia Business and Industry Association reported that it was involved in the adoption of organizational policies that affected its member organizations with respect to economic development.

Most organizations reported that they actively engaged in providing legislative liaison, technical assistance, education and training, and program evaluation. The exceptions were the Institute of Community and Area Development, which reported that it was not involved in legislative liaison, and the Department of Industry and Trade, which stated that it was not involved in education and training. Almost all agencies reported that they were involved in some form of program evaluation. This matter is covered in a later section.

Most organizations indicated their involvement in research. With few exceptions, such involvement was limited to needs identification and technology transfer in a broad sense. The following organizations reported that they conducted applied research: the Office of Planning and Budget, the Department of Community Affairs, the Engineering Experiment Station, the Institute of Community and Area Development, the Georgia Chamber of Commerce, and the Georgia Business and Industry Association. Some organizations, such as the Georgia Agribusiness Association, indicated that they made provision for needed research through other organizations that conduct research.

Most organizations reported that they were involved on a routine basis in program planning and implementation. For the most part, such planning and implementation activities were related to in-house programs and activities

with the exception of state agencies, which were concerned in statewide planning and implementation matters.

Economic Impact Evaluation

Background. Increasingly, it is recognized that there is a need to establish and employ evaluation criteria not only for the assessment of program and organizational activities involved in economic development, but also for the initial structuring of such programs. The establishment of evaluation criteria presupposes that organization administrators and program managers recognize the importance of economic impact evaluation within overall evaluation practices of their organization.

One measure of an organization's attitude towards interorganization activity may be its attitude towards the evaluation of its own programs and projects. Such evaluations may be instituted internally or may be imposed from external sources. Internal approaches are akin to internal financial audits which provide management a measure of operational efficiency. Evaluation processes imposed from external sources may be required if the organization being evaluated is to gain resources from external sources. In any event, there is reason to believe that most organizational managers view external evaluation in the same light as they view interorganizational relations; they will enter into such relations only when they need resources from an external source or when they are directed to do so by higher authority.

The measure an organization utilizes in its evaluation processes may also reflect management's attitude toward evaluation and the effectiveness of ongoing evaluation processes and programs. One important part of the project research was the identification of present measures member organizations are using to identify the impact of their activities in the field of economic development. During the interview phase of the research, administrators were asked two series of questions concerning evaluation practices in their organization. The first series dealt with matters of attitude and a determination of the scope of organizational evaluation programs. The second series of questions dealt with actual measures used by organizations in their evaluation programs.

Attitudes toward Evaluation. As a point of departure in assessing attitudes within EDC member organizations with respect to evaluation practices, administrators were asked to indicate their views concerning the evaluation of economic programs. Evaluations considered involved policies, research,

planning, and organization activities. Administrators were asked to comment on the importance of evaluations in these areas to their organizations.

Of the 15 administrators queried in this phase of the research, 12 indicated that they considered the evaluation of policies on economic development to be of utmost importance, and seven felt the same way about evaluation of economic research. Seven administrators were of the opinion that the evaluation of organizational economic development activities by organizations to whom they reported was also of utmost importance. All of the 15 administrators interviewed indicated that their organizations were involved to some degree in the evaluation of organizational activities in terms of cost, quality of staff, and record keeping and considered such evaluations of importance.

Two sets of collaborating questions were asked each EDC member organization administrator. The first set of questions sought to best characterize the extent to which the organizations carried out their evaluation activities. Each administrator was asked to indicate whether his organization:

- o Never formally evaluates any of its activities
- o Tries an evaluation once or twice but does not do it regularly
- o Evaluation is done from time to time and will continue
- o Evaluation is an ongoing activity in the organization within the evaluation office which exists as a major functional area
- o Evaluation is an ongoing activity in the organization conducted as a management function.

Thirteen of the 15 organizations indicated that evaluation was conducted as an ongoing management function. Two organizations noted that they maintained a formal evaluation office.

The second set of questions dealt with the administrator's attitude regarding evaluation practices in general. The following statements were presented to the respondents, and they were asked to indicate which statement best fitted their organization's view toward evaluation:

- o Internal evaluation of our operations by our own staff serves a useful purpose so long as the results of the evaluation are restricted to internal use.
- o We do not look with favor on evaluation imposed from outside our organization using external evaluations and will not become involved in such evaluations unless it is necessary to do so because of instructions

from a superior agency or unless it is necessary to do so to gain resources we could not obtain otherwise.

- o Evaluation is an ongoing activity in our organization. We welcome the opportunity to disseminate in legitimate processes which involve external agencies and organizations.
- o We really have not given much thought to evaluation processes and do not feel that they are important to our operations.

Nine of 15 member organizations indicated that evaluation was an ongoing activity and that evaluation results were disseminated to other organizations in legitimate evaluation processes. Five organizations indicated that internal evaluation results should be restricted to internal use. Generally, organizations involved in public activities showed little resistance to evaluation processes and the dissemination of evaluation results so long as they were accomplished in a responsible manner.

Finally, EDC member organization administrators were asked to give personal views concerning evaluations in general. All administrators agreed that evaluations can be a helpful source of information needed to strengthen weak programs and terminate those which are not fulfilling their intended objectives. A majority of the respondents indicated that they believed that the following statements are false:

- o Evaluation often emphasizes what is "wrong" and skips over what is right about programs.
- o Evaluation can be very dangerous because results are often misinterpreted by the press, legislature, and others.
- o Evaluation is often conducted by individuals who have little or no understanding of what our agency is trying to accomplish.

Evaluation Measures. If organizations are to be involved in evaluation processes, it is necessary that they develop and utilize evaluation criteria or measures that are suitable to their needs. This phase of the research sought to identify some of the criteria that EDC member organizations are using to measure the economic impact of their activities in the field of economic development. Each administrator was asked a series of questions relating to his approach to evaluation and the specific measures he utilized.

Seven of the 15 administrators involved in this phase of the research indicated that their organizations produced an annual or quarterly report in which

program results were evaluated, analyzed, or measured in qualitative terms with respect to economic development. Only two administrators indicated that they employed a set of statistical measures in their evaluation programs.

Eleven of the 15 organizations reported that they routinely established evaluation processes and measures when they are developing specific and non-recurring programs and that the process is initiated during the project formulation period. As a part of this and other evaluation processes, 12 of the respondents indicated that they asked others to assist in the evaluation of specific programs through informal conversations in which qualitative information was obtained. Seven organizations noted that they employed questionnaires to obtain systematic evaluation information.

Finally, all organization administrators indicated that their organizations utilized evaluation results in attempting to identify "gaps" in their programs and to reorient programs to achieve organizational goals and objectives.

Findings

1. In the broad areas of natural, human, and physical resources, it was found that only one organization participates in all resource areas on a routine basis. The Georgia Planning Association reported that it usually participated in the broad planning areas rather than the more limited economic sectors. Because all economic sectors are related to one or more of the broad resource areas, most member organizations also have an interest in the areas as they related to their sectors of interest. However, it is noted that several state agencies which appear to be comprehensively involved in these resource areas are not represented on the Council. These organizations include the Department of Human Resources, the Department of Natural Resources, and the Department of Labor. Essentially, it was found that member organizations, with one exception, appear to orient their participation in economic development into the smaller economic sectors rather than the broad resource areas.

2. Of the organizations reporting on participation in particular economic sectors, seven organizations indicated that they participated routinely in two sectors or less, five participated in three to five sectors, and one participated in six sectors. No administrator reported that his organization participated on a routine basis in all 10 sectors. It was found that none of the member organizations participate on a routine basis in the fishing and forestry sectors.

Based on available data, it is concluded that member organizations are generally participating in a narrow range of economic development sectors and that no single organization exercises a comprehensive overview of the economic development field.

3. Eight major development activities were reported on by member organizations. With 15 organizations reporting on the eight major items, the possibility exists that there could be 120 possible types of involvement. The survey indicated that there were 105 involvements or over 87% involvement by the 15 organizations in the eight activities. Because the staff size of member organizations ranges from zero paid staff to over 1,500 employees, the foregoing findings raise a question as to the nature and intensity of member organizations in specific development activities. It is concluded that data available for the assessment of member organization participation in specific development activities are not sufficiently accurate and comprehensive enough for an actual assessment of the level of participation of organizations in the several activities.

4. With respect to economic impact evaluation, it was found that member organizations do not appear to be opposed to evaluation in general and do conduct evaluations of their own operations and programs. However, the data to date do not provide sufficient information to make judgments concerning the value of such evaluations to Council operations. No evidence was found that the evaluations conducted by member organizations are utilized or can be utilized in the evaluation of activities of the economic development community. Nor is there any evidence that evaluation criteria and measurement units have any common bases among development organizations.

INTERORGANIZATIONAL RELATIONS AMONG COUNCIL MEMBERS

Purpose

The purpose of this section of the report is to outline briefly some of the fundamental aspects of interorganizational relations; to identify essential types of interorganizational activity associated with the mission, policy, and function of each organizational element represented on the Council; to identify specific communication mechanisms associated with such activities; and to propose the utilization of certain communication processes by the Council.

The Nature of Interorganizational Relations

The term interorganizational relations refers to interaction between formal organizations. Organizations relate to each other much as people relate to one another. They communicate thoughts, exchange resources, attempt to lead or control. People do the relating, of course, but they do it on behalf of their organizations. When that happens they are constrained by rules which govern organizational behavior rather than individual behavior. Formal organizations generally have a persistent, durable character. They change behavior slowly and infrequently, compared to individuals.

Organizational relations change when conditions change which are pertinent to the survival and effectiveness of organizations, when the population of organizations change, and when goals of the wider community change. To be effective, organizations must be cohesive internally and maintain their own integrity. The drive for autonomy, then, is well recognized although it runs counter to the expectation of "togetherness" among organizations.

Another common feature of interorganizational relations is the matter of organizational interdependencies. Close, albeit careful interaction is acceptable when it is necessary to obtain needed resources for survival. A fundamental barrier to effective interorganizational relations is the need of some form of imperative coordination within formal organizations that permits organizations to be cohesive internally and maintain their own integrity, yet participate effectively with a community of other organizations to achieve common goals.

Most chief administrators of organizations and middle-level managers are a product of an educational system in which the authoritative, formal organization is the focal point of management education and training. Even in the more

enlightened programs which emphasize participative management, the educational programs relate primarily to the formal, hierarchical organization. There is reason to believe that many managers and administrators are not fully prepared to function effectively in the interorganizational environment.

Malcolm E. Shaw, President of Educational Systems and Designs, recently commented on the fact that in our society "education" is often disassociated from the actual behavior of those in administration or in the professions. With respect to interorganization matters, he remarked that:

Increasingly, the administrator finds that rather than managing resources or managing a system, he is managing relationships, facilitating exchange of information, and the development of understanding among the diverse components which make up the community. Increasingly, our public institutions are being called upon to bridge the gap which exists between these diverse components, to forge new linkages, to construct and facilitate networks which make it possible for individuals and institutions to draw upon each other.

Shaw points out that the practice of building higher and stronger walls among institutions reduces the capacity of the institutions involved to respond to others and to utilize information to an advantage. (8:519)

Interorganizational Relations of Economic Development Council

The Georgia Economic Development Council was established, in part, because it appeared that there was insufficient coordination of economic development programs at the state and local levels and between the public and private sectors. Thus, the matter of interorganizational relations among existing organizations involved in economic development became recognized as a matter of importance. There was a need to know what was really happening and why interorganizational relations break down or function improperly among organizations involved in economic development.

As a point of departure in this project, a brief study of the status of knowledge of interorganizational relations was conducted. A summary of that study is contained in Appendix C. This information shows that the field of interorganizational relations is one that has broad applications in economic development. It appears that there is a need to investigate fully the matter of interorganization activity among member organizations; however, the research involved in this project focuses on communication networking and development activities of member organizations as they pertain to interorganizational relations.

Communication in the Linking Process

Modern organizational theorists identify the three major linking activities which appear to have universal application in human systems of organized behavior to be communication, balance, and decision making. (9:48) Communication is essential to the functioning of an organization; however, it is a complex process involving many dimensions. (10:44) Face-to-face communication is the basic network of communication in all societies. In the larger and more bureaucratic organizations, communication assumes a role of a major overlay which becomes deeper with the complexity of organizations. (11:463)

The role of communication in formal organizations is treated in most books dealing with the teaching of management theory and the functioning of social organizations. It is generally recognized that communication is central to the exercise of authority. (12:218) In addition to providing data for action by decision makers and transmitting decisions to those who must initiate and establish programs, communication is used to facilitate day-to-day adjustments and coordinate related activities. But communication does more. Communication is used to motivate people to get the job done, and it provides feedback of the result of activities refined to improve programs or to evaluate their outcome.

Modern organizational system theory is concerned with the communication network as a part of the system concept. (13:89) In this connection, the system concept for viewing organizational functioning permits the viewing of communication interactions in the larger-scale groups of organizations, as well as in the more formal individual bureaucratic organization. While recognizing and applying communication theory and practice that have evolved from research over the past 50 years, it is necessary to consider communication in a "networking" systems concept when viewing communication processes in organizational structures where there is no effective hierarchical authority structure.

A complex of organizational units functioning together for a purpose can be viewed usefully as an open interorganizational system. In this sense, an interorganizational system can be conceptualized as a network of separate, formal organizations (systems) capable of interacting with one another. They interact when the output from one becomes an input to another. They are in "balance" when various parts of the system are maintained in a harmonious relationship with each other.

Decisions reached within and among organizations are largely the result of interaction between individual attitudes and the demands of organizations. The nature of the organization, the constraints imposed by the organization, and the related "reward system" are some of the factors that affect the networking between organizations. As noted in the previous section, the Council is composed of diverse types of organizations and the decision-making processes of these organizations will vary.

Interorganizational Communication Networks

Communication allows organizations to "talk" with each other and to exchange information with others outside the organizations' immediate environments and provides a means of storing and retrieving information. Communication networks furnish multiple communication linkages within formal organizations and organizations of larger scale. A communication network consists of a system of centers involved in decision making, or they may be merely used in information exchange. In any event, the communication process provides for the transmission of material from sender to receiver, its reception and understanding, or its rejection.

When considering larger-scale organizations, it is useful to visualize communication and its processes as a communication model or diagram. The model itself enables one to bring together relevant knowledge about the organizations involved with the objective of identifying problems and enhancing communication. The diagram and other knowledge can be used to suggest points of attack upon organizational problems, to sort relevant information about the organization from the trivial, to suggest analogies and similarities among various kinds of organizations, and to suggest, for testing, solutions to organizational problems. (9:86)

Existing Communication Networks

An essential task of this project was to identify existing communication networks currently employed by member organizations in their relationships with other Council members. The communication networking aspect of the project included not only the communication channels but communication points within organizations, communication vehicles, media, and control mechanisms. As in other data-gathering aspects of the project, the scope of the project limited the investigations to interviews with organizational administrators and managers.

The data obtained represented the opinions of the respondents; collateral data were not immediately available to verify these data. It was noted that the information concerning interorganizational communications related to the total interaction among organizations and was not specific as to economic development activities conducted nor to economic sectors of activity.

Communication Channels. Administrators and managers were asked to give their opinions of the communication linkages that existed between their organization and other member organizations. Specific information related to the type of communication (e.g., telephone, correspondence) was sought, and the respondents were asked to categorize the frequency of communication in terms of routine and nonroutine. Routine interaction was considered to be interaction at least on a monthly basis. Nonroutine communication was considered to be infrequent but in the due course of business.

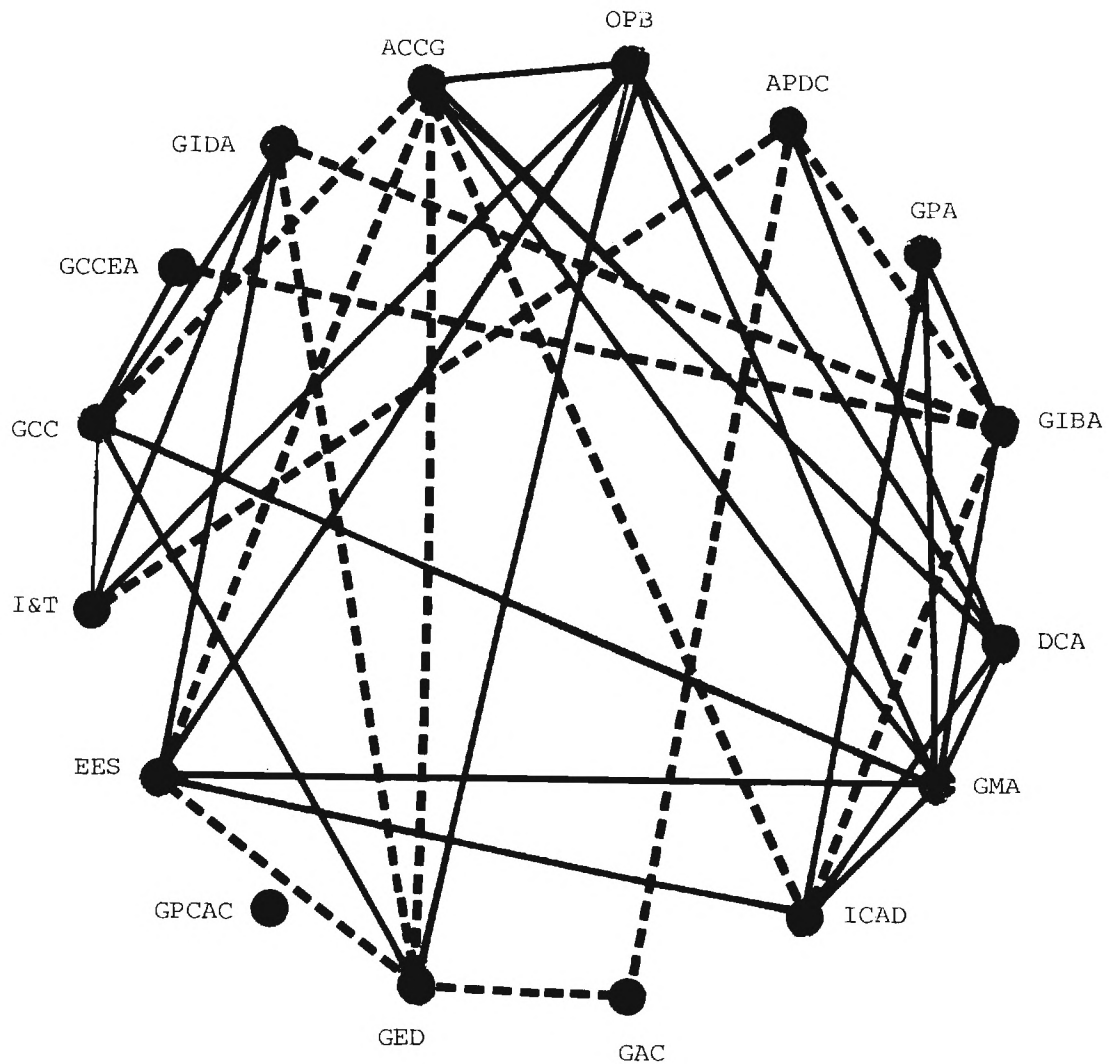
Fifteen of the 16-member organizations participated in this phase of the project. Thus, the possible number of one-way communication channels was 210 or 105 two-way channels. For the communication data to be useful, it was necessary to determine the frequency of communication between members. Again, the scale of routine and nonroutine interaction was utilized with a third category which provided for no communication or communication on an exceptional basis.

Each organizational administrator was asked to indicate which organizations his organization communicated with, together with the frequency of such communication. No effort was made to determine the nature of such communication other than to ascertain that it pertained directly to the organization's principal involvement in economic development.

When the organizational responses were "matched" or paired, 38 two-way channels were identified where administrators agreed with one another on the intensity of communication. Twenty-five channels were identified as conducting communication of a routine level, while 13 were identified as of a nonroutine nature. There was agreement that on 13 other channels there was little or no communication between organizations. These findings are illustrated in Figure 3 and Figure 4.

Another 54 two-way channels were identified as being in use, but the frequency of communication between organizations on these channels was not agreed

Figure 3
 AGREEMENT OF MEMBER ORGANIZATIONS ON JOINT USE
 OF COMMUNICATION CHANNELS



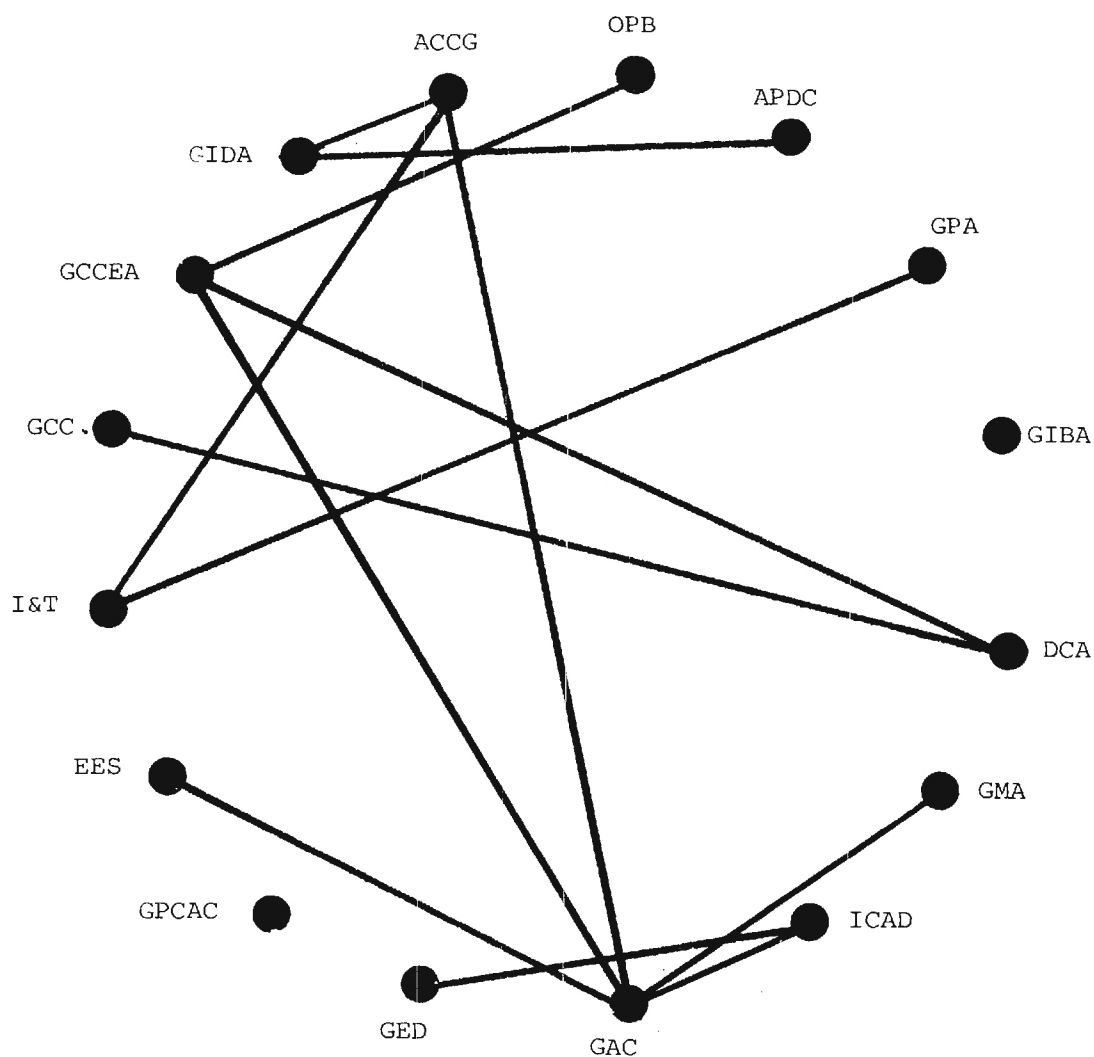
LEGEND

- Routine Communication
- - - Nonroutine Communication

Note: See Figure 2 for Abbreviations.

Figure 4

AGREEMENT AMONG MEMBER ORGANIZATIONS ON COMMUNICATION CHANNELS
USED INFREQUENTLY OR NOT USED AT ALL



LEGEND

— Routine and/or Nonroutine Communication

Note: Refer to Figure 2 for Abbreviations.

upon by the "matched" organizations. Opportunity was not available to examine the differences in perception of administrators with respect to levels of communication interaction. Because the communication patterns can substantially affect the cooperative interaction among organizations, these differences of administrative perception may be significant. There appears to be a need to determine why two administrators view the level and nature of communication between their organizations differently.

Communication Vehicles. Although the scope of the project did not provide for an in-depth study of the communication vehicles, an attempt was made to determine the importance administrators place on the communication modes or vehicles listed below by rating each as: 1) very important, 2) important, 3) somewhat important, or 4) not important.

- o Written correspondence
- o Telephone
- o Personal meeting between individuals
- o Informal ad hoc conferences
- o Scheduled group conference
- o Seminars/workshops
- o Data-link information exchange

A universe of 15 individuals gave their opinions as to the relative importance of the communication vehicles or modes as follows: There was a consensus that the telephone was the most important vehicle (very important, 10; important, 4). Personal meetings between individuals were considered almost as important as the telephone (very important, 10; important, 3; somewhat important, 1). Written correspondence was considered almost as important as the telephone and personal meetings, being scored by the respondents as follows: very important, 9; important, 2. Three other vehicles or modes also were considered important by the respondents. Informal ad hoc conferences, scheduled group conferences, and seminars and workshops all scored with a rating of from somewhat important to important.

Control Points and Mechanisms. As previously indicated, communication networks furnish multiple communication linkages with formal organizations and organizations of larger scale. A communication network consists of a system of centers depending on the purpose of the network. Centers may be those involved in decision making or they may be merely involved in information exchange.

The communication channels and networks described above are of an informal nature with respect to the Economic Development Council. This is to say that they were not established as a result of Council requirements. Rather they were established as a result of the day-to-day requirements of member organizations to communicate with one another on organizational business. Thus, the control points and communication mechanism in being are not oriented towards Council functions but rather to interorganizational relations of individual members.

Each member representative interviewed indicated that he was the principal point of contact for business relating to Council activities as it pertained to his organization. In the smaller organizations in which the respondent was the head of the organization, the point of contact was, in fact, the control point. In the larger bureaucratic organizations where several levels of organization exist, it was possible to identify subordinate points of contact. However, the scope of the project did not permit further investigation to determine how these subordinate points of contact interact within the organization and with other organizations. In fact, it could not be determined if these contact points were also control points.

No organization indicated that it maintained a type of control mechanism other than that established through policy statements and management standing operating procedures.

Media/Publications. Member organizations publish a wide array of newsletters, magazines, research reports, directories, and public documents. A listing of these publications supplied by the membership is contained in Appendix D. It was found that some nine newsletters are issued by Council members, not including 12 newsletters published by individual area planning and development commissions associated with the Staff Directors Advisory Task Force. A total of some 69 various type publications are identified in Appendix D.

It appears that the media/publications resource currently available among member organizations offers the Council an opportunity to improve its communication posture with a minimum of expense. However, there is a need to know more about the nature of the publications, their distribution, and readers.

As a point of departure, 10 administrators were asked to indicate which publications of other member organizations they received on a continuing basis. Seven indicated that they received 25 or more, three indicated that they

received 10 or more, and none indicated that they received fewer than 10. The foregoing data can be considered only a general indicator of the exchange of publications among member organizations. It was not possible to confirm answers through analyses of organizational mailing lists.

A Council Communication Model

As has been shown, there exists a rather large and complex system of information flows between and among Council member organizations. For the most part, the existing "networks" and communication channels serve the needs of individual organizations, but do not necessarily link groups of organizations together in any systematic fashion.

As a formal organization, the Council has a number of identifiable clients. These include the General Assembly, the Governor, member organizations and their clientele, the economic development community at large, and the general public. So far as is known, the Council has not developed a formal communication system for its own use, but rather has communicated with individuals and groups on an informal, as-needed basis.

Existing communication networks employed by member organizations offer the Council a point of departure in synthesizing one for its own needs. Figure 5 illustrates some of the parties that could be involved in such a network and some of the information flows envisioned.

Results of the investigations undertaken in this project do not reveal any system or mechanism open to the economic development community that provides ways and means for organizations to efficiently acquire and utilize the vast amount of data and information that is currently available within the state. Figure 6 illustrates conceptually the role the Council could occupy as an information center within the economic development community.

Other Interorganizational Relations Considerations

As previously indicated in this report, the program of work for this project did not provide resources to investigate all facets of interorganizational relations as they pertain to the Council. Rather, the work program placed emphasis on communication and communication networking and the defining of the research environment. The literature search as reported in Appendix C provides the theoretical basis for the investigation conducted in this project. It also provides a basis for investigation of other variables associated with the field

Figure 5

BASIC COMMUNICATION MODEL FOR ECONOMIC DEVELOPMENT COUNCIL

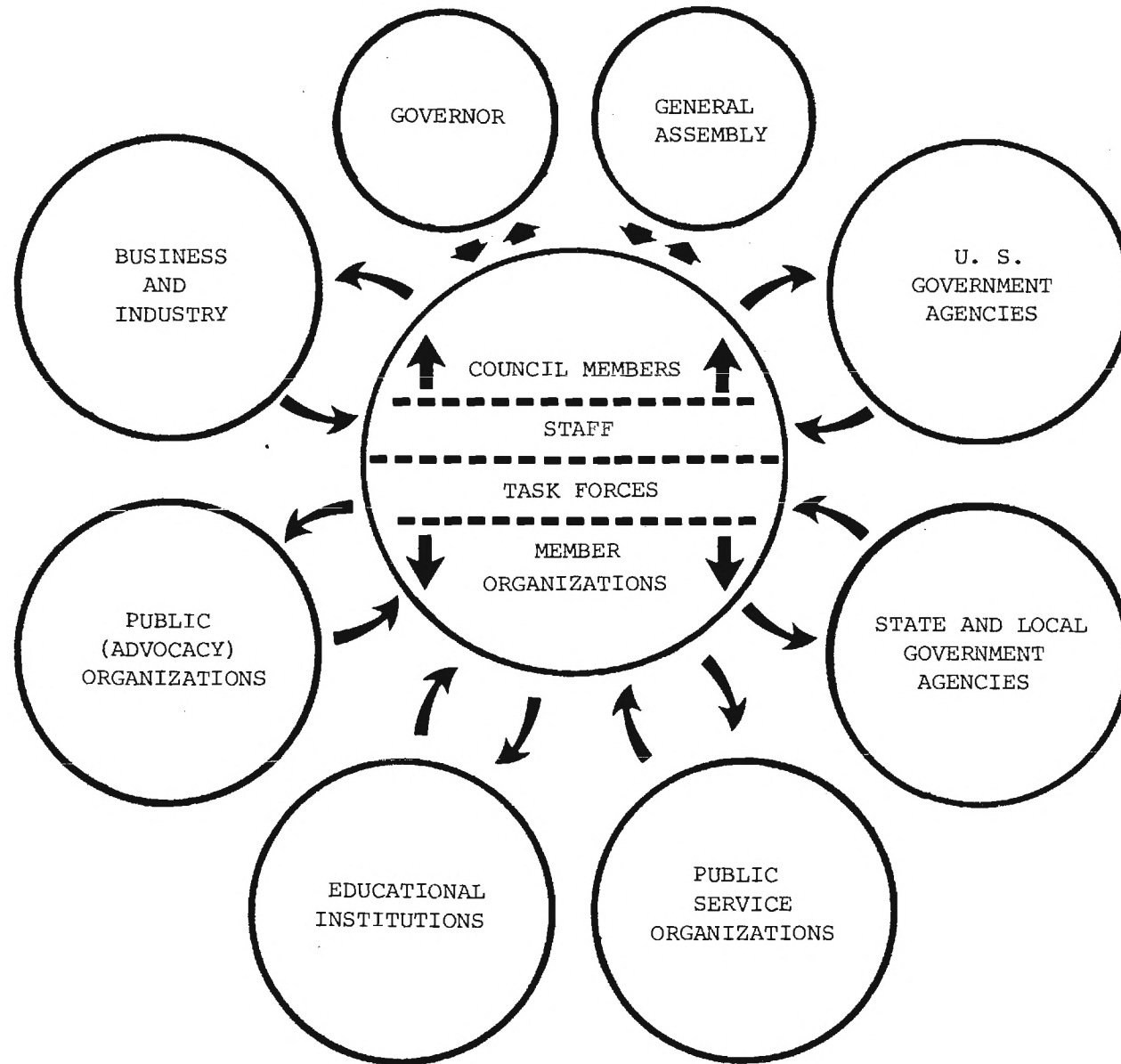
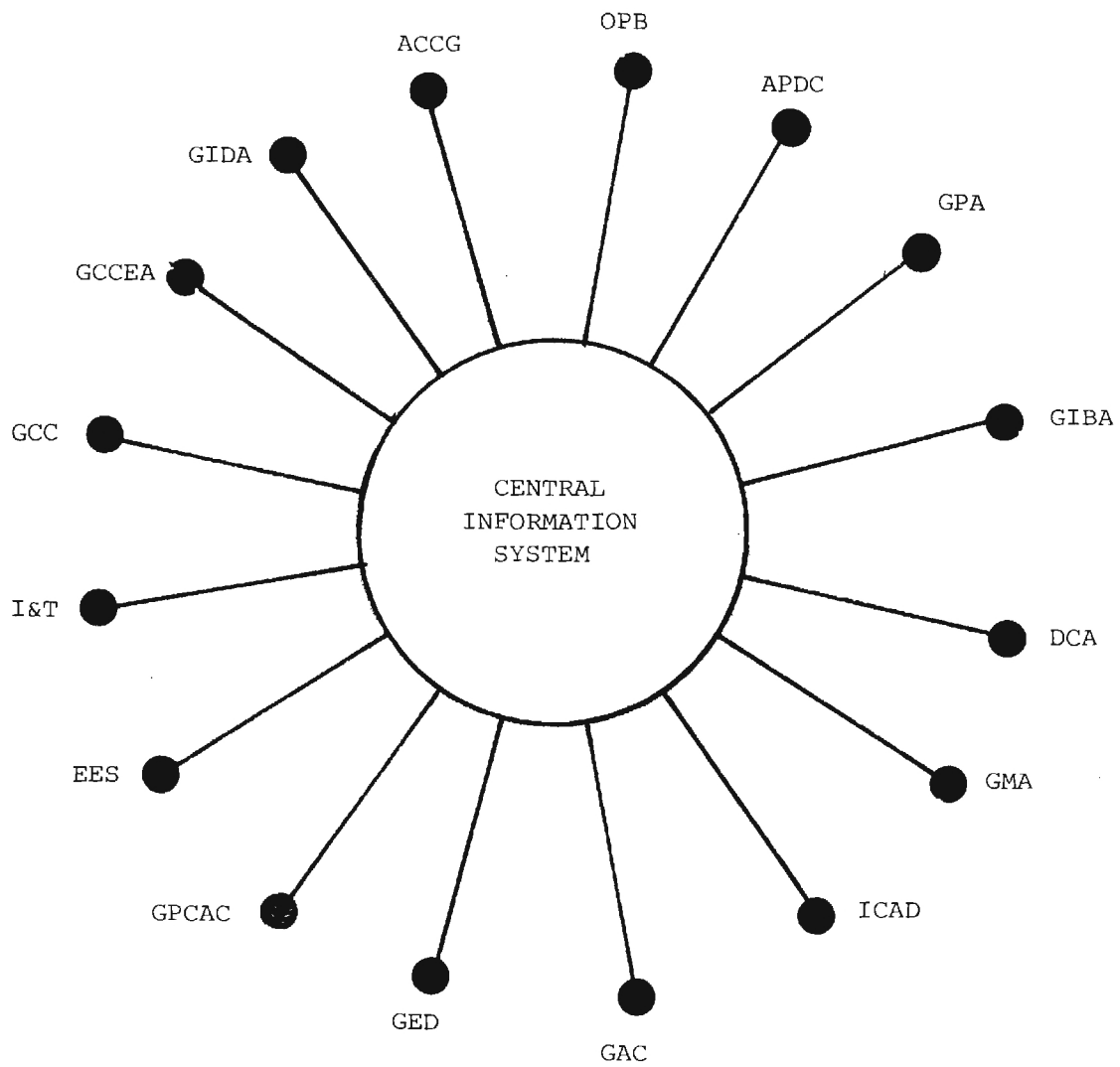


Figure 6

CONCEPTUAL ROLE OF THE ECONOMIC DEVELOPMENT COUNCIL
AS A CENTRAL INFORMATION AGENCY



of interorganizational relations. Such topics as organizational autonomy, management attitudes toward cooperative interaction among separate formal organizations, and reward systems are all critical variables in interorganizational systems. The success of such systems will depend on a full knowledge of the interaction of the variables within particular systems.

Findings

1. The actual or potential channels linking individual Council member organizations consist of 210 one-way channels or 105 two-way channels. Investigation indicates that administrators agree that 38 of the two-way channels are in use at either a routine or a nonroutine level of interaction. It also was agreed that some 13 two-way channels are not currently in use or are being used only occasionally. However, it was found that there is disagreement among administrators relative to the level of use of the remaining 54 two-way channels. Thus, it is concluded that there are substantial differences of opinion among administrators as to their perception of the nature of communication existing among and between member organizations. The reasons for these differences in perception are not evident, but it is believed that such a situation can adversely affect the cooperative interaction of member organizations.

2. It was found that written correspondence, telephone communication, and personal meetings between individuals are considered to be very important communication vehicles used by Council members. Such vehicles are used primarily for interaction between organizations, however, rather than in interorganizational networking functions of the Council.

3. The newsletters, reports, and other documents published by member organizations appear to offer the Council an existing capability that can be utilized in accomplishing the duties of the Council. However, the extent to which such publications are presently used by member organizations and their clientele is not fully understood.

4. While communication channels and networks exist on a wide basis among Council member organizations, there is little indication that the Council has attempted to develop its own communication network utilizing existing member organization networks as a point of departure.

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

Purpose

The purpose of this section of the study is to summarize research findings and conclusions as they pertain to interorganizational communication networking of the Economic Development Council and to set forth some recommended courses of action that the Council can undertake to improve communications within its membership. Also, recommendations for further applied research relating to interorganizational relations in economic development are presented.

Implications of Data Limitations on Findings

The data and summary information contained in Appendix C, "Interorganizational Relations (IOR): Summary of Present Status of Knowledge" were derived primarily from research reports published in academic journals and research reports. These data, which are the result of rigorous research, provide the theoretical foundation on which the investigations were conducted during this study and a point of departure for further applied research. However, the "real world" data available in the investigation phase of this project must be viewed in a realistic manner, and their limitations must be so considered in reviewing the research findings.

First, the data included in the organizational profiles were furnished by member organizations and were accepted without the supporting documentation of records or reports. Second, the questions asked of organization administrators during the interview phase of the investigation were intended simply to elicit the views of administrators on a variety of subjects related to interorganizational communications and networking. No in-depth research in specific areas was possible to validate answers objectively. Thus, research results are based on personal knowledge and/or best judgment. In this connection, it is assumed that administrators answered questions on a subjective basis and that answers probably reflect favorably on the respondents' organizations when possible. Third, when there were responses from one of more administrators on a common subject which conflicted, conflicting answers and judgments were not resolved.

Summary of Findings

The rationale upon which research findings are based and a more complete statement of findings are set forth in other sections of this report. The following are brief summations of these findings.

- o Member organizations tend to participate in discrete economic development sectors which are components of broader resource areas rather than in the broad areas.
- o Member organizations tend to participate in a relatively narrow range of economic development sectors; no individual organization participates in all sectors on a routine basis.
- o Member organizations do not participate in the forestry and fishing sectors on a routine basis; however, four organizations were involved in these sectors on a nonroutine basis.
- o Eighty-seven percent of the membership reported routine participation in all eight of the development activities concerned with the economic sectors; however, the findings of the investigation are not sufficient to provide a reliable assessment of the relative level of involvement in the several activities among the members.
- o Evaluation of program impacts on economic growth is being conducted by member organizations on an organizational basis; however, such evaluations do not appear to be used extensively in interorganizational program development, management, and improvement.
- o Communication channels and networks are operational between and among member organizations on a broad scale; however, there are differences in perceptions among organizational administrators concerning the utilization of such networks and channels.
- o Member organizations are publishing a variety of newsletters, reports, and other informational documents which appear to offer potential benefits to the Council at large as well as individual members. However, the nature of distribution and utilization of such media and publications among Council members is not fully understood.

Conclusions

An analysis of Council members' participation in economic development indicates that they tend to concentrate their activities in a relatively small number of economic development sectors, with no one agency working on a routine basis in all sectors. Likewise, an examination of the sectors and resource areas of economic development reveals that, measured by the number of organizations concerned with the sectors and areas, the attention given each sector or area by organizations also is restricted. These findings confirm the lack of a comprehensive approach to economic development and emphasize the importance of interorganizational communication in addressing problems of growth and development and the significant contribution an interorganizationally oriented organization such as the Council can make.

Data, information, and investigative findings contained in this report confirm the fact that economic development is a common function of the major sectors of society leading to social, political, and economic well-being of the nation. It follows that effective and efficient intergovernmental and interorganizational mechanisms must be available that will permit social institutions and processes to address problems which cut across institutional boundaries and interests. Based on investigative results contained in this report, it is concluded that the "council mechanism" inherent in the Economic Development Council of Georgia offers a viable approach through which intergovernmental/interorganizational relationships can be improved throughout the economic development community of interests.

Data, information, and investigative results contained in this report shows that, collectively, member organizations and their clientele have a major involvement in economic development processes and programs in the state. Member organizations and their clientele provide an open system which, if oriented towards cooperative interactive processes, can have a profound impact on economic development. It is concluded, therefore, that member organizations offer the Council a mechanism and capability through which it can develop a plan for the interorganizational networking of economic development processes, activities, and programs on a statewide basis.

In this project emphasis was placed on defining the research universe and on investigating interorganizational communication networking of the Council. Other important facets of interorganizational relations were identified in

Appendix C, but were not subjected to investigation. Based on findings contained in this report, it is concluded that if a council "mechanism" is to be effectively used in economic development, additional research-based information must be made available to those who are involved in the functioning of such council-oriented operations.

A review of the data and information concerning the formulation of the Council and the 16 organizations that provide membership to the Council shows that the enabling legislation provided for the establishment of a formal organization that is not authorized to exercise any powers derived from the State, and that member organizations serve different clientele, exercise varied responsibilities, and operate under varying management structures. The enabling legislation did not provide funding for staff or routine operating expenses of the Council. It is concluded, therefore, that success or failure of the Council to achieve its goals will depend on the cooperative interaction among Council members who are employees of member organizations associated with the Council.

Although this investigation has been focused on organizations concerned with economic development in only one state, the assumption that comparable organizations are functioning in each of the other states appears to be valid. It also appears to be reasonably valid that these organizations are involved in economic areas, sectors, and activities that have been described and investigated in this project. However, the nature of organizational participation in economic development and the interorganizational networking in such processes are not known. It is concluded that a full understanding at the national level of interorganizational processes in the various states is necessary if national economic programs concerned with subnational economic development are to be effective.

Finally, the principle of participatory exchange emerges from this study as an approach through which diverse organizations (public, private, and advocacy) can be joined by mutual consent to work efficiently, effectively, and economically on publicly mandated goals. It is concluded that a strategy involving the principle of participatory exchange offers the possibility of an approach that can bridge gaps between organizations which will permit communication, efficiency, and autonomy to survive intact.

Recommendations

It is recommended that the Economic Development Council review the data, information, findings, and conclusions contained in this study with the objective of improving the cooperative interaction among Council member organizations on matters pertaining to economic development in the state of Georgia. Specifically, it is recommended that:

- o The Council identify obstacles that are inhibiting cooperative interaction among Council member organizations and initiate processes that will improve interorganizational relations.
- o The Council establish communication networks that will be responsive to its needs.
- o The Council develop methods for utilizing the member organizations' media/publications resources in Council programs.
- o The Council undertake studies relating to evaluation processes and programs used by member organizations with the objective of using evaluation results, where feasible, in Council program development and activities.
- o The Council formulate and conduct educational programs for its membership and for others in interorganizational relationships as they pertain to economic development processes and programs.

It is recommended that Council member organizations, on an individual basis, review their interorganizational processes and activities. Based on findings of such reviews and on the data and information contained in this report, it is further recommended that each organizational project, activity, or program that requires cooperative interaction with other member organizations be provided a plan for interorganizational relations development and implementation.

It is recommended that the Economic Development Administration give full recognition to the need for improved interorganizational relations among development organizations, governments, governmental agencies, advocacy groups, and the private sector in the matter of economic development processes and programs. Specifically, it is recommended that:

- o Applied research be undertaken to broaden the base of interorganizational relations knowledge as it applies in the field of economic development.

- o Individual economic development programs sponsored by the Economic Development Administration require that the method of approach or work program for each project include provisions that will insure that interorganizational relations are given due consideration in both project development and implementation.
- o Investigations initiated by the current project with the Economic Development Council of Georgia be continued with emphasis placed on inter-organizational relations applications in specific economic development sectors.
- o A project at the Federal region level be initiated to survey economic development interorganizational practices throughout the region with emphasis placed on the interaction between organizations and agencies that are involved in interstate and regional aspects of economic development.
- o A project be undertaken to test the feasibility of using the principle of participatory exchange in the field of interorganizational relations. Specifically, it is recommended that such a project consider the matter of the assembly of "investment packages" by diverse organizations in geographical areas which emphasize urban-rural balance.

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Appendix A
ORGANIZATION PROFILES

MEMBER ORGANIZATIONS

o Government Agencies

Office of Planning and Budget
Department of Industry and Trade
Department of Community Affairs
Georgia Department of Education

o Governmental Associations

Georgia Municipal Association
Association County Commissioners of Georgia

o Educational Institutions

Engineering Experiment Station, Georgia Institute of Technology
Institute of Community and Area Development, University of Georgia

o Business Associations

Georgia Chamber of Commerce
Georgia Business & Industry Association, Inc.
Georgia Agribusiness Council, Inc.

o Professional Associations

Georgia Planning Association
Georgia Chamber of Commerce Executives' Association
Georgia Industrial Developers Association
Georgia Productivity Center Advisory Committee
Staff Directors Advisory Task Force, State Advisory Committee on Area Planning and Development

GOVERNMENT AGENCIES

ORGANIZATIONAL PROFILE

Name: Office of Planning and Budget

EDC Representative: Dr. Henry Thomassen

Purpose or Objective:

The Office of Planning and Budget (OPB) provides professional staff services and resources to the Governor. It furnishes three separate but related major functions; these are: policy planning and implementation, executive budget formulation and implementation, and OPB administration. The major purposes of the Office of Planning and Budget are:

- o To identify, formulate, establish, and implement the executive policies of state government to effectively develop Georgia's human, economic, and physical resources;
- o To develop, establish, and execute a budgeting system to facilitate the implementation of the state's executive policies; and
- o To control, facilitate, and assure the most effective uses of state and other public fiscal and administrative sources allocated to the Office of Planning and Budget.

Activities

The Director of the Office of Planning and Budget directs the activities of the Office according to policies established by the Governor. These activities can be summarized as follows:

- o To provide plans, analyses, and alternative recommendations to the Governor in matters relating to state development policy, fiscal and general administration, and intergovernmental relations.
- o To assist state departments in planning, programming, and budgeting operations, and administering their functional programs.
- o To assure the consistency, compatibility, and coordination of state planning, programming, and budgeting between and among state departments.
- o To provide coordinated, standard methods for organizing and displaying data so that it can be continuously updated and made available to all potential users.
- o To assure the consistent and compatibility of local and regional planning and development through the coordination, review, and technical assistance

provided through the 18 area planning and development commissions (APDCs) in Georgia.

- o To develop, monitor, and evaluate state legislation to implement state executive policy and plans.
- o To monitor and evaluate state programs, budgets, and operations for their impact on state policy and the achievement of the state's program objectives.
- o To effectively operate the State Project Notification and Review System Clearinghouse to assure review and comment by state agencies and the Governor's Office of federally funded state plans, environmental impact statements on federally assisted projects, state agency proposal for federal funding, direct federal projects, and federally assisted projects subject to OMB Circular A-95.
- o To insure that the state is aware of and has a voice in national domestic program and policy development to enable the state to actively join federal-state programs in a timely and acceptable manner.
- o To provide in-house consulting services to the Governor, the General Assembly, and state agencies.
- o To provide representation of the state and Governor on multistate regional commissions.
- o To develop and recommend long-range growth management policies and strategies for Georgia.
- o To act as the lead agency for the State of Georgia in coordinated planning efforts relating to the development of a Coastal Zone Management program for Georgia in land-use analysis and planning tasks in the Coastal Zone Management Program.

Organizational Characteristics

- o Type Organization: Government agency
- o Authority: Georgia Acts 1489 and 1490, 1972
- o Date Established: 1972
- o To Whom Organization Is Accountable: Governor
- o Type Administrative Staff: Governmental bureaucratic staff
- o Number of Paid Personnel: 173
- o Source of Funds: Funds appropriated by the General Assembly of Georgia

Operational Structure

The staff of the Office of Planning and Budget consists of a director (OPB), seven division directors, and 145 professional personnel and administrative employees.

The divisions of the Office of Planning and Budget are as follows:

- o Executive/Internal Operations (includes Arts Council)
- o Human Development
- o Education and Intellectual Development
- o Physical and Economic Development (includes Energy Office)
- o General Government and Protection of Persons and Property
- o Intergovernmental Relations
- o Management Review
- o Attached Administratively: Consumer Affairs, Postsecondary Education Council, and Consumer Utility Counsel

Membership or Clientele

The Office of Planning and Budget, as a part of the Office of the Governor, is immediately responsive to the Governor's requirements. Additionally, the office serves the needs of the General Assembly of Georgia, other state agencies, area planning and development commissions, federal agencies, and local governments.

Media/Publications

- o Budget Volume I: Financial Display
- o Budget Volume II: Program Display
- o Budget Volume III: Capital Outlay
- o Supplemental Budget
- o Governor's Policy Statement
- o Special Reports of Governor-Appointed Commissions staffed by OPB
- o Georgia Land Use Element

ORGANIZATION PROFILE

Name: Department of Industry and Trade

EDC Representative: W. Milton Folds, Commissioner

Purpose or Objective

The Department of Industry and Trade (I&T) promotes and encourages the responsible development of industry, trade, and tourism within the state. The ultimate or long-term objectives of the Department are:

- o To solicit manufacturing, service, headquarters and warehouse locations for Georgia;
- o To assist in the location of new and existing industrial projects;
- o To promote economic growth and job opportunities with special emphasis on the rural areas of Georgia;
- o To increase the number of Georgia's exporting companies;
- o To increase the number of international facilities;
- o To encourage the expansion of existing in-state firms;
- o To accelerate the overall economic development of the state through the promotion of tourism; and
- o To provide the state with a sophisticated, comprehensive program of advertising Georgia's many advantages for tourists, industrialists, international businessmen, and filmmakers to consider the state as a vacation destination and a place to locate business, invest funds, produce films, and purchase goods and services.

Activities

The Commissioner of the Department of Industry and Trade directs the activities of the Department according to policy guidance furnished by the Board of Industry and Trade. Programs of the Department include industrial development, international trade, tourist promotion and development, and promotion of the filming of major motion pictures.

Specific activities of the Department are as follows:

- o Industry: The Department markets Georgia's advantages for the location of new manufacturing, processing, service and office facilities; provides professional site location services to new and existing businesses,

promotes the growth of existing Georgia firms, and advises communities in planning their economic development programs.

- o International: The Department conducts trade missions and identifies trade opportunities to increase the export of Georgia's products; assists Georgia firms in the formation of joint ventures, licensing agreements, and the promotion of exports; and encourages international groups and visitors to visit Georgia.
- o Operations Research: The Department conducts analytical and promotional support research in response to direct inquiries from state agencies; local, regional, national and foreign concerns; the Georgia General Assembly; Georgia's Congressional Delegation; and federal agencies and industrial development authorities of all 50 states.
- o Tourism: The Department plans, coordinates, and conducts comprehensive marketing and sales programs to attract both individual and group visits to Georgia for vacation and recreation as a means of increasing the economy of the state. The division offers information to travelers through a network of welcome centers strategically located throughout the state.

Organizational Characteristics

- o Type Organization: Government agency
- o Authority: Title 40-21, Georgia Code Annotated
- o Date Established: 1963
- o To Whom Organization Is Accountable: Board of Industry and Trade
- o Type Administrative Staff: Governmental bureaucratic staff
- o Number of Paid Personnel: 142
- o Source of Funds: Funds appropriated by the General Assembly of Georgia

Operational Structure

The staff of the Department of Industry and Trade consists of the Commissioner, a Deputy Commissioner, and an Assistant Deputy Commissioner, five division directors, and 134 professional personnel and administrative employees. The Department's divisions are as follows:

- o Industry Division
- o International Division
- o Tourist/Communication/Film Division
- o Operations Research Division
- o Administrative Division

Membership or Clientele

The Department of Industry and Trade provides assistance to existing Georgia industry, assistance to out-of-state companies seeking new facilities, and assistance to communities engaged in economic development programs. The Department also works closely with a number of statewide development groups such as local chambers of commerce, city and county governments, banks, utilities, APDCs, the Georgia Port Authority, the Georgia Industrial Developers Association, and the Georgia Business and Industry Association.

The Department maintains offices in Brussels, Belgium; Tokyo, Japan; Sao Paulo, Brazil; and Toronto, Canada; for the establishment of business relationships with foreign interests.

Media/Publications

- o Georgia Manufacturing Directory
- o Economic Development Profiles
- o Research Publications

ORGANIZATION PROFILE

Name: Department of Community Affairs

EDC Representative: Henry M. Huckaby, Commissioner

Purpose or Objective: The purpose of the Department of Community Affairs is:

- o To serve as advocate agency for local government at state government level;
- o To provide state level motivation, coordination, and assistance to planned growth, community betterment, and problem solution; and
- o To advise and assist the Governor and the Georgia State Legislature on local government matters.

Major policies established to achieve the Department's objective are:

- o To improve the quality of the state's housing stock to ensure that all Georgians are offered an opportunity to secure adequate housing and a suitable living environment;
- o To be aware of and responsive to the needs and concerns of local governments throughout Georgia, and to assist in strengthening their capability to improve the quality of life within their communities;
- o To assist Georgia communities interested in self-evaluation, self-improvement, and overall economic growth opportunities; and
- o To focus and coordinate local, state, and federal resources where needed to alleviate multiple problems in special, high impact areas.

Activities

The Commissioner of the Department of Community Affairs establishes policies and objectives of the Department. He is available to local governments, civic leaders, municipal planning agencies, area planning and development agencies to discuss the problems and need of Georgia's communities. As head of a state agency, he has access to and can request assistance of other state agency heads on problems within their jurisdiction, or contact the Governor on matters of broad policy of urgency. He also serves as the official representative of the state with those federal agencies concerned with substate district and local government planning, development, and grant aid matters.

Specific activities of the Department are as follows:

- o Area Development: The Department manages the HUD 701 Comprehensive Planning and Management Assistance Program; provides coordination on area planning and development matters, housing information and planning assistance to governmental agencies, APDCs, local and private interests; administers the state's APDC support funds; promulgates, through the State Building Administrative Board, a uniform set of construction codes for local adoption; regulates factory-built housing and provides training to local inspectors; inventories the capabilities of the APDCs and coordinates activities between various APDC organizations.
- o Local Development: The Department provides technical assistance to local governments in financial management, general administration, engineering, law enforcement administration, and personnel administration.
- o State Crime Commission Planning and Grant Administration: The Department provides administrative support to the State Crime Commission, planning for the expenditure of federal resources in the State's Criminal Justice System through comprehensive planning and by actively influencing planning operations at every level; supports and coordinates organized crime prevention/intelligence activities in the state; and administers the allocation of LEAA funding in the state.
- o State Building Administrative Board: The Department administratively supports the State Building Administrative Board and supervises its staff in coordinating six advisory boards which publish minimum standard codes for housing, building, plumbing, air conditioning, electrical, gas, and factory-built housing manufacturers; provides code revisions to federal, state, and local agencies; provides technical assistance to local building inspectors; certifies and monitors factory-built housing manufacturers.
- o Georgia Residential Finance Authority: This agency was created by the General Assembly in 1974 to assist qualified families obtain adequate housing at a reasonable cost. It is attached to the Department of Community Affairs for administrative purposes, and the Commissioner of the Department serves as Chairman of the Board.
- o Commission on Indian Affairs: The Department provides administrative support to the staff of the State Commission on Indian Affairs, and provides appropriate coordination with other state agencies on behalf of Commission activities and policies.

Organizational Characteristics

- o Type Organization: Government agency
- o Authority: Ga. Act 123, 1967; Ga. Act, 1970; Ga. Act 233, 1977
- o Date Established: 1967
- o To Whom Organization Is Accountable: For policy and direction concerning community affairs - The State Board of Community Affairs
- o Type Administrative Staff: Governmental bureaucratic staff
- o Number of Paid Personnel: 52
- o Sources of Funds: Funds appropriated by the General Assembly of Georgia, supplemented by federal grants.

Operational Structure

The staff of the Department of Community Affairs includes the Commissioner, a Deputy Commissioner, two assistant commissioners, eight program managers, and administrative personnel.

- o The Assistant Commissioner for Area Development supervises the operation of the following units:
 - Office of Planning Assistance
 - Economic Development and Special Projects
 - State Office of Housing
 - State Building Administrative Staff
- o The Assistant Commissioner for Local Development supervises the operation of the following units:
 - Local Assistance Coordination Office
 - Personnel Services Technical Assistance
 - Criminal Justice Technical Assistance
- o Special programs and activities provided by the Community Betterment Unit and the Atlanta-Fulton County Study Commission are supervised by the Deputy Commissioner.
- o State agency task force programs relating to high-impact growth areas in the state are supervised by the Deputy Commissioner.

Membership or Clientele

The State Department of Community Affairs was established in response to the need of the state to more effectively fulfill its responsibilities to local governments and communities, and also in response to the need to improve

coordination of federally-required state and areawide plans by fulfilling the requirements of the federal Intergovernmental Cooperation Act of 1966. Thus, the principal clientele of the Department are the local governments within the state and federal agencies involved with community-related affairs.

Media/Publications

- o Action '77 - Agency newsletter
- o Georgia Downtown Development Association - Newsletter for allied organizations

ORGANIZATION PROFILE

Name: Georgia Department of Education

EDC Representative: Charles McDaniel, State Superintendent of Schools

Purpose or Objective

The State Board of Education establishes and enforces minimum standards, rules, regulations, and policies for the operation of all phases of public school education in Georgia in order to assure to the greatest extent possible, equal and adequate educational opportunities for all Georgia's children, youth, and certain adults. The State Board also operates certain schools for specialized needs and for postsecondary vocational education. The State Department of Education channels funds to local systems, evaluates the use of these funds, and provides technical assistance to assure more economical and efficient operation of the public schools of the state. The objectives of the Georgia Department of Education are as follows:

- o Improve the ability of students to read;
- o Provide flexible education programs that are varied to meet determined individual student needs and abilities;
- o Reduce adult illiteracy;
- o Improve the ability of students in mathematics;
- o Improve self-concept of student;
- o Reduce dropouts;
- o Provide statewide kindergartens;
- o Develop and apply standards for school systems that are based on educational outcomes;
- o Provide programs that compensate for or remove the effects of economic or cultural deprivation and physical or mental handicaps;
- o Extend career education to all students;
- o Develop and strengthen cooperative educational service agencies to provide services and programs for multisystem areas;
- o Develop two-way communication with all segments of the public, establishing a sound basis for public confidence and support in the public education system;
- o Provide for each local school system board of education to identify pupil performance goals and make an annual public report on the extent to which these goals are being met;

- o Establish local school systems of sufficient size to provide an effective program of instruction and insure efficiency and economy of operation; and
- o Equalize financial support in local school districts.

Activities

The Georgia Board of Education sets policies for the Georgia Department of Education. The Department conducts its activities through three major offices and administers policy for and to the public schools of Georgia. The major activities of the Department are administrative services, instructional services, and adult and vocational services. Specific activities include the following:

- o Support services to local school systems to include assistance in planning budgets and capital outlay and administration of funds for school operation.
- o Administration of school standards and technical assistance to school systems.
- o Assistance to school systems in the area of school food services, school plants, pupil transportation, and the administration of federal surplus properties and USDA food distribution.
- o Coordination of all aspects of the schools' instructional programs including curriculum, instructional media, including educational television, student support services such as guidance and testing, and programs of local staff development and teacher certification.
- o Provides for leadership in the development of vocational awareness and marketable skills for elementary and secondary students, occupational training for Comprehensive Employment and Training Act (CETA) participants, and opportunities whereby adults can become functional literates and receive training to become employable.
- o Provides postsecondary vocational-technical training to commuting students throughout the state and residential students in the proximity of two state technical-vocational schools.
- o Provides leadership for public libraries of the state.

Organizational Characteristics

- o Type Organization: Government agency
- o Authority: Georgia Constitution, Article VIII, Title 32, Georgia Code Annotated
- o To Whom Organization Is Accountable: Georgia State Board of Education
- o Date Established: 1870
- o Type Administrative Staff: Governmental bureaucratic staff
- o Number of Paid Personnel: 1,545
- o Sources of Funds: Funds appropriated by the General Assembly of Georgia and grant funds from the federal government

Operational Structure

The State Superintendent of Schools is elected by the Georgia voters. He serves as Executive Secretary to the Georgia Board of Education and administers the Georgia Department of Education. The Georgia Department of Education consists of the following major units:

- o Office of Administrative Services
- o Office of Instructional Services
- o Office of Adult and Vocational Services
- o Office of Special Services
- o Division of State Schools

Membership or Clientele

The Georgia Department of Education serves to furnish educational opportunities and services to the citizens of the state. In the accomplishment of its overall mission, the Georgia Department of Education also administers policy for the public schools of Georgia.

Media/Publications

Georgia Public Education - State and Local Schools and Staff

ALERT

Annual Report

Yearly Statistical Series on Public Schools

ESEA, Title I Annual Report and Evaluation Report

Various Curriculum Guides for Public Schools

School Standards Booklet

State Plans for Special Education and Vocational Education

Georgia Textbook List

GOVERNMENTAL ASSOCIATIONS

ORGANIZATION PROFILE

Name: Georgia Municipal Association

EDC Representative: Gil Harbin, President, Georgia Municipal Association,
Mayor, Valdosta, Georgia

Purpose or Objective:

The Georgia Municipal Association (GMA) was established to serve as a constant advocate for municipal government and for city officials in their efforts to improve the quality of municipal services to the citizens of Georgia. The basic objectives of the Association are:

- o To provide a broad, modern, and workable legal base for municipal government;
- o To provide a modern and flexible municipal revenue base which will produce adequate finances to underwrite the increasing demands for public improvements and services;
- o To provide for continued improvements in municipal administration and operations;
- o To promote and sponsor research and training for municipal officials and employees;
- o To study the needs and render such services as may be proper to increase the efficiency of Georgia municipal governments;
- o To provide city officials with information regarding programs and activities at the national, state, and local levels which might affect their municipalities;
- o To provide a united voice and representation for Georgia municipalities before the Georgia General Assembly and the U. S. Congress; and
- o To protect and strengthen the role of municipal governments within the intergovernmental system.

Activities

Legislation: The primary reason for GMA's original organization was to provide united effort for Georgia cities before the General Assembly. Today, expanded to include representation before the U. S. Congress, this remains one of the most important services that GMA performs for its membership.

Each year the Association sponsors legislation on behalf of its members -- as approved and reflected in the official GMA Policy Statement.

Weekly legislation bulletins and copies of bills are sent to city officials to keep them advised on legislative developments. City officials are contacted to appear before the various committees to represent municipal interests.

GMA maintains close contact with the Georgia Congressional delegation and their staff members in communicating the position that their city officials take on various legislation.

GMA in its work at the federal level has helped Georgia cities receive Federal Revenue Sharing, Community Development, LEAA, CETA, Water Pollution Control, Public Works, and other EDA Grants.

Legal Service: The Association maintains a full-time General Counsel, who provides sample ordinances, legal information and assistance to city attorneys, furnishes background information to city officials, drafts legislation proposed by the Association, and files (Amicus Curiae) briefs on behalf of GMA member cities in cases of general interest to Georgia municipalities.

A law library is maintained at the GMA office as well as extensive model ordinances which are available free to member cities on almost any subject.

Field Services: GMA maintains a full-time Field Representative to serve as a communications link between the member cities and GMA staff. Visits are made to member cities to keep officials informed of GMA programs and services and to answer questions relating to municipal government. Additional staff members are available to visit member cities on request. Staff members are available to speak to civic organizations.

Inquiry Service: Each year GMA promptly responds to thousands of questions pertaining to all aspects of municipal government and management. GMA is a clearinghouse of information and management data essential to effective municipal operation. Each request is treated with equal attention. A comprehensive municipal library is maintained at GMA headquarters for research purposes and is at the disposal of each member city.

Conferences and Meetings: The Annual Convention is the highlight of the Association's programs and activities. Mayors, councilmen, city managers, clerks, and other city officials meet to exchange ideas, discuss common problems and

attend special workshops. It is also at the Convention where the Policy Statement is adopted. Other GMA conferences and meetings include:

- o Mayors' Day
- o Spring and Fall District Meetings
- o Legislative Conference
- o Standing Committee Meetings
- o Ad Hoc Committee Meetings
- o Training Programs

Research: The GMA research staff compiles and publishes annual studies and surveys as well as special studies and handbooks based on needs and requests. These studies are provided free to member cities.

Retirement, Group Life and Health Insurance, Public Officials Liability Insurance and Unemployment Compensation: Almost 140 member municipalities belong to the GMA-administered Joint Municipal Employees Retirement System (JMERS). Through JMERS, eligible employers may provide retirement, death, and long-term disability benefits for full-time employees, elected municipal officials and municipal legal officers. Most cities have a plan written according to their own individual needs and specifications. However, a master retirement plan is available to municipalities having less than 16 full-time employees.

GMA administers a group life and health insurance program presently underwritten by Coastal States Life Insurance Company. Currently participating are approximately 70 GMA member towns and cities. Several different plans are available and coverage may be provided to full-time employees and/or elected officials.

GMA sponsors a Public Employee and Public Official Liability (PEPOL) insurance program, which is administered through Haas and Dodd Insurance. About 40 municipalities provide coverage for their respective employees under this program.

The Georgia Municipal Association also sponsors a Statewide Unemployment Compensation Program in conjunction with R. E. Harrington, Inc. Designed primarily to remove the administrative burden of unemployment compensation matters from local government, the program also seeks to continually educate participants in all areas of the law. Over 80 cities are currently members of the program.

Organizational Characteristics

- o Type Organization: Government association
- o Authority: A voluntary, nonprofit corporation organized under the laws of the State of Georgia
- o Date Established: 1934
- o To Whom Organization Is Accountable: Board of Directors
- o Type Administrative Staff: Full-time professional staff
- o Number of Paid Personnel: N. A.
- o Source of Funds: GMA is supported primarily by dues paid by each member city

Operational Structure

The GMA staff consists of an Executive Director, an Assistant Director, a Director of Research, Federal Activities & Policy Development, a Field Representative, a Director of the Joint Municipal Retirement System, and other administrative, clerical, and operational personnel.

Membership or Clientele

The Georgia Municipal Association has over 400 incorporated cities and towns as members which represent 99.8% of Georgia's municipal population. Any city which meets the standards for original incorporation is eligible for GMA membership.

Media/Publications

- o Georgia Municipal Policy
- o GMA Plan for Action
- o URBAN GEORGIA Magazine
- o Municipal Digest - GMA Newsletter
- o Legal Briefs - Newsletter for City Attorneys
- o Georgia Municipal Yearbook
- o Various Research Publications

ORGANIZATION PROFILE

Name: Association County Commissioners of Georgia

EDC Representative: William E. Lovett, Jr., Chairman, Board of Commissioners,
Laurens County

Purpose or Objective

The Association County Commissioners of Georgia (ACCG) was established in recognition of the need for a unified voice in the state capitol and for an organization directed by county commissioners to act as the official spokesman for Georgia county government. The primary objective of the Association is to serve the interest of Georgia counties and to assist county governments in becoming more efficient and effective. To carry out this basic objective, the Association also provides services and assistance, as directed by its membership, which will be of mutual benefit to all Georgia counties.

Activities

The Association County Commissioners of Georgia is organized and staffed to carry out a variety of activities including the following:

- o Legislative Representation: ACCG serves as the official spokesman and furnishes liaison for county governments in dealing with state and federal agencies, and in representing the counties' interest in other intergovernmental relationships.
- o Public Information: ACCG serves as a focal point for providing information to the media and general public on Georgia County governments and their activities.
- o Education and Training: ACCG sponsors a variety of activities oriented to education and training, including
 - Annual Convention
 - Better Informed Public Official Conference
 - Annual Fall District Meetings
 - Annual Legislative Breakfast
 - Special Workshops and Seminars
 - New County Commissioners Conference
 - Board of Managers Meetings

- o Legal Assistance: ACCG provides legal assistance to counties in court cases that are of a precedent setting nature.
- o Research: ACCG develops research papers and pamphlets on county issues and distributes these publications to members.
- o Library Service: ACCG maintains a library devoted exclusively to county government operations.
- o General Technical Assistance: The ACCG staff provides association membership professional technical assistance on county problems when requested.
- o County Referral Service: ACCG provides routine referral services to member organizations in general matters of interest to both the local level and nationwide.
- o Employee Referral Service: ACCG acts as a clearinghouse in referring qualified applicants to counties and assisting counties in the recruitment of key personnel.
- o Insurance Programs: ACCG sponsors a workmens' compensation insurance program, a public officials' liability insurance program, and administers a county pension plan.

Organizational Characteristics

- o Type Organization: Government association
- o Authority: A nonprofit corporation organized under the laws of the State of Georgia
- o Date Established: 1914
- o To Whom Organization Is Accountable: Board of Managers
- o Type Administrative Staff: Full-time professional staff
- o Number of Paid Personnel: 10
- o Source of Funds: ACCG activities are supported primarily by dues paid annually by each county upon approval by its Board of County Commissioners.

Operational Structure

The ACCG staff consists of an Executive Director, a Director of Research and Legislative Affairs, a Finance Officer, Legal Council, Legislative Consultant, an Advertising Director, and other administrative and operational personnel. Overall policy direction is provided by ACCG officers and the Board of Managers.

Membership or Clientele

ACCG membership consists of individual county commissioners and other county officials whose dues are paid annually by each county. These dues entitle the county, the county commissioners, and their employees to use association services and to participate in ACCG programs. County commissioners are eligible to vote on issues being considered by ACCG.

Media/Publications

- o ACCG Yearbook
- o Georgia County Government Magazine

EDUCATIONAL INSTITUTIONS

ORGANIZATION PROFILE

Name: Engineering Experiment Station, Georgia Institute of Technology

EDC Representative: R. L. Yobs, Director, Technology and Development Laboratory, Engineering Experiment Station

Purpose or Objective

The Engineering Experiment Station was created by the General Assembly of Georgia to promote engineering and industrial research and to develop the natural resources and commerce of Georgia. Current missions of the Engineering Experiment Station are:

- o To promote the general welfare of the people of Georgia through scientific engineering and industrial research;
- o To encourage economic and industrial development;
- o To encourage more complete development and utilization of the natural resources of Georgia; and
- o To assist national programs of science, technology, and preparedness.

Activities

The Engineering Experiment Station (EES) is a major center for advanced technology and development. Essentially, EES is a quick-reaction, client-oriented, applied research organization whose operations are based on a large volume of research contracts from federal and state agencies, industry, and state funds for service-oriented activities. Contractual relations between EES and its sponsors are negotiated and monitored by the Georgia Tech Research Institute. Research and development interests in the Engineering Experiment Station encompass a wide area of science and technology, including the following research and development activities:

- o Mechanical design and development
- o Energy systems
- o Industrial chemistry
- o Materials technology
- o Nuclear applications
- o Bioengineering
- o Analytical instrumentation

- o Water quality
- o Waste utilization
- o Economic and industrial development
- o Management and technical assistance to industry
- o Productivity in public and private sectors
- o Communications - Radar - Electronic Systems

Organizational Characteristics

- o Type Organization: Educational institution
- o Authority: Georgia Code Chapter 32-2, Amended, 1960
- o Date Established: 1919
- o To Whom Organization Is Accountable: To the Board of Regents through the President of Georgia Institute of Technology
- o Type Administrative Staff: Full-time staff of research engineers and scientists organized to function on contractual project basis
- o Number of Paid Personnel: 300 full-time and 200-part-time employees
- o Source of Funds: 85% of funds from research contracts and grants; 15% of funds furnished by the Board of Regents

Operational Structure

The Director of the Engineering Experiment Station manages the overall operations of six laboratories, the Nuclear Research Center, and the Office of International Programs. The Technology and Development Laboratory provides the primary economic development interface between the Station and client organizations, federal, state, and local governments, and business activities individuals. Major divisions of the Laboratory are:

- o Economic Development Division
- o Energy and Engineering Division
- o Industrial Extension Division
- o Chemical and Material Sciences Division

Membership or Clientele

The Engineering Experiment Station is a client-oriented, applied research organization. It operates on a project basis using multidisciplinary teams as required. Its principal clientele includes federal and state agencies, local governments and area planning and development commissions, private business firms, and individuals.

Media/Publications

- o EES Report - This quarterly publication contains brief articles on EES research projects
- o Productivity in Progress - Published quarterly. Contains information pertaining to productivity improvements in Georgia government and industry
- o Development Data
- o International Informer
- o Small Industry Development Network Newsletter

Directories and Reports

From time to time EES issues various special directories and reports, e.g.:

- o Directory of Association in Georgia
- o Directory of Metalworking Job Shop Capabilities in Georgia
- o Directory of Scientific Resources in Georgia
- o Industrial Districts in Georgia: A Directory
- o Plastic Processors and Fabricators in Georgia and Surrounding Areas
- o Metal Service Centers in the Southeast

ORGANIZATION PROFILE

Name: Institute of Community and Area Development, University of Georgia

EDC Representative: E. E. Melvin, Director

Purpose or Objective

The Institute of Community and Area Development (ICAD) is a public service unit of the University of Georgia. Its purpose is to bring university resources to bear on the problems of communities, areas, and the state. The objectives of ICAD are directed toward:

- o A more efficient state economy;
- o A better social order with less crime and social waste, and better law enforcement with justice;
- o Improved government efficiency;
- o A cleaner environment;
- o More efficient planning skills and organizations to implement plans;
- o An understanding of the processes and forces which influence change, development, and progress;
- o Greater productivity through education and training; and
- o Enabling public agencies to plan for and to cope with the inevitable problems which accompany progress and a changing economy.

Activities

The scope of services provided by ICAD range from a fundamental public service function of sharing information to the complex and sophisticated process of conducting problem-oriented applied research. Specifically . . .

- o Factual information is provided by ICAD staff members to state and local governments or regional and community groups. These range from specific questions about population shifts, building codes, and recreation standards to more general inquiries on drug abuse, the conservation of energy, and public relations.
- o Studies are conducted within communities and areas to provide needed information for making decisions about special goals and programs.
- o Program assistance, evaluation, and liaison are provided for public agencies and organizations, and a variety of groups concerned with specific aspects of community development.

- o Technical and consultative services are available to communities in developing tourist and recreation potentials, establishing budgeting systems for local governments, implementing comprehensive community planning, etc.

Supporting activities are furnished ICAD by the several colleges, schools, and department of the university. These supporting services include:

- o Continuing and Adult Education
- o Business and Industry
- o Recreation
- o Health and Safety
- o Geology
- o Housing
- o Transportation
- o Land Use
- o Fine Arts
- o Sociology
- o Governmental Services
- o Law Enforcement
- o Governmental Training
- o Community Development
- o Pharmaceutical Services
- o Advertising and Public Relations
- o Social Work
- o Ecology
- o Environmental Design

Organizational Characteristics

- o Type Organization: Educational institution
- o Authority: A budgetary unit of the University of Georgia reporting to the Vice President for Services
- o Date Established: 1961
- o To Whom Organization Is Accountable: Through the President of the University of Georgia to the University System Board of Regents
- o Type Administrative Staff: Full-time professional staff
- o Number of Paid Personnel: 32 on staff; most on joint appointment
- o Sources of Funds: Funds furnished by the Board of Regents supplemented by federal, state, and local grants for specific projects

Operational Structure

The Director of the Institute of Community and Area Development manages the programs and activities of the Institute, utilizing a small full-time staff supplemented by a multidisciplinary staff of some 28 professionals serving on joint appointments from other university colleges, schools, and departments. ICAD cooperates with other academic public and private groups.

Membership or Clientele

As a public service unit of the University of Georgia, the Institute of Community and Area Development brings university resources to bear on the problems of communities, areas, and the state. Thus, the Institute serves local and state governments and their agencies, area planning and development commissions, federal agencies, and other public and private groups in the state.

Media/Publications

- o ICAD Newsletter
- o Georgia Arts Newsletter
- o Occasional audiovisual, movie, and television productions
- o Occasional research reports and booklets

BUSINESS ASSOCIATIONS

ORGANIZATION PROFILE

Name: Georgia Chamber of Commerce

EDC Representative: Garland G. Fritts, Vice President, National Service Industries; Immediate Past Chairman of Chamber's Industrial Development Council

Purpose or Objective

The Georgia Chamber of Commerce is a statewide association of business firms, trade associations and local chambers of commerce. The major objectives of the Georgia Chamber of Commerce are as follows:

- o To maintain and improve Georgia's business environment as affected by governmental action;
- o To promote better relations between management and labor;
- o To encourage business leadership toward total community development;
- o To identify and motivate potential state leadership;
- o To stimulate community beautification and tourist attractions;
- o To spur orderly industrial development, improved transportation, and world trade;
- o To motivate Georgia youth to academic and career skill excellence; and
- o To spread understanding of and appreciation for our free enterprise system.

Activities

The Georgia Chamber of Commerce is structured and staffed to provide a variety of services to its members. Staff support is provided to assist Chamber members in the areas of legislative affairs, employee relations, economic development, education, and leadership. Some specific activities are as follows:

- o Representation of business interests on state and federal legislation.
- o Attraction of national and regional headquarters' facilities through systematic task force operations
- o Attraction of high quality industry into Georgia
- o Assistance to local communities in total community development
- o Support of Georgia's efforts to become an international state
- o Development and promotion of tourism

- o Promotion of educational and leadership programs in Georgia
- o Expansion of Georgia's agri-industries

Organizational Characteristics

- o Type Organization: Business organization
- o Authority: A nonprofit corporation organized under the laws of the State of Georgia
- o Date Established: 1916 -- reorganized in 1948
- o To Whom Organization Is Accountable: Membership, officers, and directors
- o Type Administrative Staff: Full-time professional staff
- o Number of Paid Personnel: 17
- o Sources of Funds: Membership dues

Operational Structure

The Georgia Chamber of Commerce staff consists of an executive vice president, seven council managers, and other office staff support personnel. Activities of the Chamber are conducted through a group of councils and special task forces as follows:

- o Education Council
- o Industrial Development Council
- o International Council
- o Travel Council
- o Employer-Employee Relations Councils
- o Governmental Council
- o Member Relations Council
- o Leadership Georgia Program
- o Headquarters Task Force

Membership or Clientele

Membership in the Georgia Chamber of Commerce is open to any individual, business firm or association in good standing with interest in the development of the state.

Media/Publications

- o Employer-Employee Relations Newsletter
- o Georgiagram

- o Industrial Survey of Georgia
- o Georgia Directory of International Services
- o Legislative Bulletin
- o Georgia - An Educational Presentation
- o Unionitis
- o Directory of Georgia Governmental Officials
- o Know Your Members of Congress
- o Directory of Local Chambers of Commerce in Georgia

ORGANIZATION PROFILE

Name: Georgia Business & Industry Association, Inc.

EDC Representative: Gene Dyson, President

Purpose or Objective

The Georgia Business & Industry Association is a voluntary association of individuals, firms, companies, and corporations engaged in business for profit. Its purpose is mutual benefit through cooperation of its members in the programs designed to create and foster an economic climate in Georgia conducive to the growth and development of the state, its citizens, and the business community. Specific objectives of the Association are:

- o To draw the various segments of Georgia business and industry together and establish a close bond among them;
- o To promote and safeguard the interests of Georgia business and industry and present a unified position on matters of common concern;
- o To concentrate on problems and opportunities which can be more economically, systematically, and thoroughly handled when Georgia business and industry leaders pool their experience, know-how, and ideas in a joint effort; and
- o To provide aggressive leadership and be a dynamic part of change by exerting worthwhile influence in advancing Georgia.

Activities

The Association is structured and staffed to provide a variety of specialized services for its members who range in size from small-service businesses to major industrial employers of the state. Activities of the Association include the following:

- o Provides the business community with a continuous flow of information on Georgia legislation and administrative agencies so that employers can do a more effective job.
- o Maintains a good working relationship with officials at every level of government.
- o Identifies statewide problems and challenges which are then studied so that realistic solutions can be offered.

- o Supports sound, constructive, and progressive legislative programs which create a better climate in Georgia.
- o Maintains a day-to-day liaison with the leadership of every business activity in Georgia.

Organizational Characteristics

- o Type Organization: Business association
- o Authority: A nonprofit corporation organized under the laws of the State of Georgia
- o Date Established: 1915
- o To Whom Organization Is Accountable: GBIA Board of Governors
- o Type Administrative Staff: Full-time professional staff
- o Number of Paid Personnel: Eight
- o Sources of Funds: GBIA activities are supported primarily by membership dues

Operational Structure

The GBIA staff consists of a president, an executive vice president, three vice presidents, and three administrative personnel. Special activities of the Association are handled by six standing committees as follows:

- o Education
- o Employee Benefits
- o Environmental Affairs
- o Industrial Affairs
- o Industrial Relations
- o Industrial Safety
- o Taxation

Ad hoc and special committees include:

- o Economic Advisory Council
- o Emory AMP Advisory Council
- o Georgia College Business Cabinet
- o Georgia Tech Business and Industry Advisory Council
- o Prison Industries Advisory Council
- o Public Relations Advisory Council
- o Southern Tech Advisory Council

Membership or Clientele

Individuals, firms, companies, and corporations engaged in business pursuits including manufacturing, processing, fabrication, wholesaling, retailing, distributing, banking, utilities, professions, transportation, and services.

Media/Publications

- o Georgia Intelligencer - Published monthly in an easy to read format and designed to keep members up-to-date on GBIA activities and other matters of interest to the business community.
- o Georgia Legislative Bulletin - Published weekly during the annual session of the Georgia General Assembly, this bulletin reports on bills and resolutions that affect business and industry.
- o Federal Legislative Bulletin - This bimonthly publication informs members of bills and resolutions introduced in the U. S. Congress which are of interest to business and industry.
- o Industrial Relations Bulletin - A monthly bulletin devoted to developments affecting employer-employee relations such as union elections, state and federal agency rules and regulations, court decisions, personnel practices, and other matters of interest to management.
- o Tax Bulletin - Existing and proposed taxes and changes in tax laws that affect employers are the subjects of this periodic publication for members and their tax specialists.
- o Employee Benefits Bulletin - Useful information on workmen's compensation is reported, including proposed changes by the state or federal government and their respective administrative agencies.
- o Environmental Affairs Bulletin - GBIA members are kept informed about the growing complexities of air, land, and water resource utilization and applicable laws within this bulletin.
- o Safety Bulletin - This publication keeps members abreast of OSHA happenings and other matters dealing with industrial safety and health.
- o Education Bulletin - GBIA is actively involved in vocational-technical and higher education in Georgia. This bulletin reports on those educational programs of interest to employers.
- o Action Bulletin - Significant matters that require ACTION on the part of members of the Association are reported through Action Bulletins as required.

- o Surveys - Surveys and questionnaires are conducted as needed to properly monitor and represent the members' collective viewpoint. Results from the surveys are utilized in program evaluation, legislative appearances, and public relations activities.

ORGANIZATION PROFILE

Name: Georgia Agribusiness Council, Inc.

EDC Representative: Charles E. Crowder, Executive Director

Purpose or Objective

The Georgia Agribusiness Council was chartered in 1966 to further the development of agriculture and agribusiness in Georgia. It was designed to be a promotional and representative organization, dealing with ideas and resources; and to develop a better public appreciation for agriculture and agricultural-related business. The Council's primary objectives are:

- o To effectively promote and represent the business sector of agriculture in Georgia;
- o To strengthen the economic value of farm and agribusiness products through increased production, processing, manufacturing, and delivery of food and fiber to the consumer;
- o To increase public understanding of the opportunities and problems facing agriculture and agribusiness;
- o To coordinate support for various public and private programs at local, state, and national levels;
- o To promote domestic and export markets for the state's agricultural products;
- o To provide information and marketing assistance to the GAC membership, related groups, and agribusiness prospects;
- o To support positive agricultural legislation on state and national levels;
- o To develop and implement a sponsorship program of activities in support of agriculture and business to insure a healthy and expanding agribusiness future for Georgia;
- o To cooperate, support, and participate with other agricultural groups in the development of agribusiness as a value-adding industry; and
- o To encourage careers in agriculture by Georgia's youth to insure a sound agricultural industry for the future.

Activities

The Georgia Agribusiness Council (GAC) is a statewide, nonprofit, membership organization which strives to effectively promote and represent the business

sector of agriculture in Georgia. GAC works closely with the Georgia Department of Agriculture and approximately 70 agricultural and agribusiness organizations across the state. Each year, representatives of these organizations are brought together through GAC to pursue opportunities in the agricultural field.

Organizational Characteristics

- o Type Organization: Business Association
- o Authority: A nonprofit corporation organized under the laws of the State of Georgia
- o Date Established: 1966
- o To Whom Organization Is Accountable: GAC Board of Directors
- o Type Administrative Staff: Full-time professional staff
- o Number of Paid Personnel: Two
- o Sources of Funds: GAC activities are supported primarily by membership dues. Funds are also generated through meeting activities, support of special events, and the annual Harvest Ball.

Operational Structure

The policies and programs of GAC are set and guided by a slate of officers and Board of Directors. The action program is carried out through six divisions as follows:

- o Agribusiness Development
- o Legislative Affairs
- o Advertising and Public Relations
- o Program Development
- o Membership Development and Services
- o Financial Development and Budgeting

Membership or Clientele

- o Type: Firms actively engaged in agribusiness such as agricultural producers, suppliers, processors, distributors, and financial institutions.

Media/Publications

- o The Partnership - This is a newsletter of the Georgia Agribusiness Council published on a quarterly basis.

PROFESSIONAL ASSOCIATIONS

ORGANIZATION PROFILE

Name: Georgia Planning Association

EDC Representative: W. Quinn Hudson, Executive Director

Purpose or Objective

The Georgia Planning Association, Inc. (GPA) serves to strengthen the physical, social, economic, governmental, and human resource planning and development of Georgia and its communities. Specific objectives are:

- o To identify existing planning models and develop alternative models for use by local governments;
- o To recruit communities to demonstrate alternative models and provide assistance to communities in the application of new models;
- o To define and identify successes, evaluate strengths and weaknesses of each model; and
- o To document and disseminate the findings of the study of alternative models through conferences, newsletters, presentations, and press releases.

Activities

The Association is organized to direct its activities as follows:

- o Educate local public officials as to the benefits of coordinated economic, social, and physical development planning for their area of jurisdiction.
- o Establish the principle that planning should be an essential and continuing responsibility of local government.
- o Promote citizen participation in planning processes, and citizen understanding of governmental processes.
- o Encourage local governments to correlate planning programs with management and service delivery systems and processes.
- o Assist local governments in using the planning process to:
 - Determine and articulate public goals and policies.
 - Contribute information and a future perspective to immediate decisions.
 - Improve public management through (1) coordination of effort and (2) elimination of duplication of activities.

- Rationalize the ratio of tax resources to service levels and costs.
- Provide a vehicle for private businesses and developers to contribute to public policy and plans.
- Incorporate environmental characteristics, historic and cultural features, pollution problems, and energy needs into public plans and programs.
- Recognize the social and economic needs of all the citizens in the local jurisdiction.
- o Provide education and training materials and opportunities to local planning officials.
- o Teach local planning officials to pursue development policies that will generate local revenues in excess of operating costs, will not deteriorate the environment, and will improve the quality of life.

Organizational Characteristics

- o Type Organization: Professional organization (also citizen members)
- o Authority: A nonprofit corporation organized under the laws of the State of Georgia
- o Date Established: 1968
- o To Whom Organization Is Accountable: GPA Board of Directors and members
- o Type Administrative Staff: Full-time professional staff
- o Number of Paid Personnel: Two
- o Source of Funds: Membership dues and program grants

Operational Structure

Administrative duties of the Association are conducted by the executive director, assisted by a secretary. The officers of the association are a president, three vice presidents, and a 25-member board of directors. Working committees and task forces appointed from the membership at-large are utilized to carry out the Association's programs.

Membership or Clientele

Membership in the Georgia Planning Association is open to anyone interested in governmental, physical, human, social and economic, resource planning and development.

ORGANIZATION PROFILE

Name: Georgia Chamber of Commerce Executives' Association

EDC Representative: Robert Evans, President

Purpose or Objective

The Georgia Chamber of Commerce Executives' Association (GCCEA) is the professional society of chamber manager and staff executives. The basic purposes of the association are the promotion of professional efficiency and the creation of good fellowship and mutual cooperation among its members.

Activities

The program of GCCEA is designed to show Chamber executives new ways to solve management problems, motivate people, and generally to become increasingly more effective in developing better local communities. Activities and services of GCCEA include the following:

- o Management Conferences
- o Staff Clinics
- o Executive Employment Service
- o Membership Directory
- o Newsletter

Organizational Characteristics

- o Type Organization: Business association
- o Authority: Mutual voluntary agreement
- o Date Established: 1945
- o To Whom the Organization Is Accountable: GCCEA Board of Directors
- o Type Administrative Staff: Volunteer
- o Number of Paid Personnel: None
- o Sources of Funds: Membership dues

Organizational Structure

Administrative matters of the association are handled by the elected officials. The officers of the association consist of a president, two vice presidents, a secretary-treasurer, and a 10-member board of directors.

Membership or Clientele

Managers and staff executives of chambers of commerce

Media/Publications

The Cracker Barrell - A newsletter

ORGANIZATIONAL PROFILE

Name: Georgia Industrial Developers Association

EDC Representative: John W. Talley, Jr., Immediate Past President

Purpose or Objective

The Georgia Industrial Developer's Association (GIDA) is a professional and volunteer association of men and women who are concerned with the industrial development of Georgia and who seek to achieve a close working relationship among the various individuals involved in industrial development activities.

Activities

Activities of the Georgia Industrial Developer's Association are as follows:

- o The interchange of ideas, principles, practices and ethics in the field of industrial and economic development in and for the State of Georgia;
- o Identifying and discussing ways to improve the competitive position of Georgia in the development of economic and employment opportunities and for the expanding of new and existing industry;
- o Supporting, counseling, and cooperating with other organizations in the state to improve the industrial business and economic environment; and
- o Studying the means to enhance the professional capabilities of, and the encouragement of, activities which further the professional development of individual members.

Organizational Characteristics

- o Type Organization: Professional association
- o Authority: Mutual voluntary agreement
- o Date Established: 1964
- o To Whom Organization Is Accountable: GIDA Board of Directors
- o Type Administrative Staff: Volunteer
- o Number of Paid Personnel: None
- o Sources of Funds: Membership dues

Organizational Structure

Administrative matters of the association are handled by elected officials.

Membership or Clientele

The membership of the organization is composed of representatives from private enterprise, public agencies, educational institutions, chambers of commerce, and other organizations. Regular membership is composed of Georgia residents employed by certain agencies or organizations involved in the industrial development of the state, 50% of whose time is devoted to the responsibility of developing and handling industrial prospects for new industries, the expansion of existing industries and/or the implementing of improvements in his/her area of the state. Other interested persons may become associate members.

Media/Publications

None

ORGANIZATION PROFILE

Name: Georgia Productivity Center Advisory Committee

EDC Representative: Duane Grice, Chairman

Purpose or Objective

The Georgia Productivity Center Advisory Committee was established to provide guidance to the Center and to act as liaison between the Center and the various sectors of the Georgia production base.

Activities

The primary activity of the Committee is to evaluate Center programs and activities, and to furnish advice on its operations.

Organizational Characteristics

- o Type Organization: Professional Association
- o Authority: An appointed council established by Resolution HR 155-655 of the Georgia General Assembly (1975)
- o To Whom Organization Is Accountable: The Governor, State of Georgia
- o Type Administrative Staff: Staff services are provided by the Productivity Center as required
- o Number of Paid Employees: None
- o Source of Funds: None
- o Organizational Structure: An advisory council composed of representatives from industry and government

Membership or Clientele

Membership appointed by the Governor.

Media/Publications

Media and publications of the Georgia Productivity Center are utilized by the council as required.

ORGANIZATION PROFILE

Name: Staff Directors Advisory Task Force, State Advisory Committee on Area planning and Development

EDC Representative: Carroll C. Underwood, Executive Director, Southwest Georgia Area Planning and Development Commission

Purpose or Objective

The Staff Directors Advisory Task Force was established by the State Advisory Committee of Area Planning and Development with membership composed of the executive directors of each planning and development commission within the state of Georgia. The duties of the Task Force are:

- o To bring matters of statewide, areawide, and local concern to the attention of the Advisory Committee;
- o To serve as a vehicle for exchange of information, professional development, and administrative improvement;
- o To organize functional staff subgroups for more detailed exchange, study, and research when deemed appropriate;
- o To request voluntary dues contributions from each APDC, no more frequent than 12-month intervals, to cover miscellaneous expenses of the Advisory Committee and Task Force;
- o To assist in preparation for meetings of the Advisory Committee; and
- o To serve in any other manner requested by the Advisory Committee.

(Note: The Staff Directors Advisory Task Force replaced the Georgia Regional Executive Directors' Association which was identified as a member organization in the legislation creating the Economic Development Council.)

Activities

Since the Staff Directors Advisory Task Force was created primarily to furnish technical assistance to the State Advisory Committee on Area Planning and Development, the activities conducted by that Committee reflect the activities that may be undertaken by the Task Force. The activities of the Committee are as follows:

- o To provide a forum through which area planning and development commissions may collectively advise the Governor, various legislative bodies, state departments, and any other appropriate groups or agencies on

matters related to fostering the maximum effectiveness of area planning and development in Georgia.

- o To encourage cooperation and exchange knowledge between APDCs that will strengthen and improve the multicounty concept of planning and development.
- o To serve as a forum which may be utilized by the Governor and other groups for collective communication with APDCs.
- o To serve as an advocate, policy, deliberating, and advisory group to the political representatives of the APDCs of Georgia.

Organizational Characteristics

- o Type Organization: Professional organization
- o Authority: Revised By-Laws of the State Advisory Committee on Area Planning and Development
- o To Whom Is the Organization Responsible: The State Advisory Committee on Area Planning and Development
- o Date Established: 1977
- o Type Administrative Staff: None
- o Number of Paid Personnel: None
- o Source of Funds: Contributions of APDC organizations, as required.

Operational Structure

The Staff Directors Advisory Task Force is an informal, technical advisory group with an elected chairman.

Membership or Clientele

- o Staff Directors Advisory Task Force: Executive Directors of all APDCs
- o State Advisory Committee on Area Planning and Development: The State Advisory Committee is comprised of one member from the board of each planning and development commission, nominated by the Commission and appointed by the Governor. In addition, ex officio nonvoting membership is provided for the presidents of the Georgia Municipal Association and the Association of County Commissioners of Georgia. The executive directors of the commissions serve as technical advisors to the Committee without the right to vote or to hold office.

Media/Publications

None

Appendix B

PURPOSES, OBJECTIVES, AND METHODS OF APPROACH
OF THE TASK FORCES

Appendix B

PURPOSES, OBJECTIVES, AND METHODS OF APPROACH OF THE TASK FORCES

Purpose

The purpose of this appendix is to provide detailed information concerning the purposes, objectives, and methods of approach of the task forces in assisting the Council in accomplishing its mission.

Energy Task Force

The Energy Task Force was established to deal with an issue of critical importance to economic development in Georgia -- energy. The Task Force is concerned with the impact of energy shortages on Georgia and is undertaking the activities described below to assist the Council in achieving its objectives.

Purpose. The purpose of the Energy Task Force is to support, formulate as necessary, and advance energy policies which will have the greatest positive impact on long-run economic development in Georgia.

Objectives. Objectives set for the Task Force are:

- o To provide critical overview of proposed energy solution policies from the standpoint of their impact on economic development in Georgia.
- o To help organize, condense, and communicate information on energy issues and solutions in a manner which would be useful and readily comprehensible to public and private policymakers, the economic development community, and the public-at-large.
- o To focus attention and encourage applied research on energy issues and proposed solutions that warrant further investigation.
- o To evaluate and make recommendations concerning the compatibility of industrial and tourism promotion practices in Georgia with realistic energy constraints.
- o To evaluate and make recommendations concerning continued economic growth in Georgia in light of long-run energy problems and competition from energy-rich states.

Activities. Activities of the Task Force are to include the following:

- o Gather and organize information about long-run energy supplies, considering such factors as conventional sources of supplies, new technologies and energy sources, and the effects of costs, government regulations, and legislation on long-run energy supplies.
- o Gather and organize information about long-run energy needs for economic development, considering such factors as existing economic activities, expansion of those activities, and the location of new operations in Georgia. Sectors to consider include manufacturing, trade, agriculture, transportation, and tourism.
- o Compare long-run energy supplies to needs and analyze the impact on economic development.
- o Identify policy solutions and state actions, and prepare recommendations for the Governor and General Assembly.

Methods of Approach. An overriding principle of the Council is to coordinate closely its work with other agencies dealing with related issues and problems. These agencies include (1) the organizations represented in the Council, (2) other private and public agencies in Georgia not represented on the Council, (3) similar economic development councils and policymaking agencies in other states, and (4) federal and national agencies. The Energy Task Force's methods of approach utilizes the foregoing principles and has identified the following types of agencies and organizations with which coordination will be established and maintained:

- o Utility companies
- o Public Service Commission
- o State Office of Energy Resources
- o Federal Energy Administration
- o Research organizations
- o Developers and energy users
- o Conservation groups
- o Gas and petroleum producers

Natural Resources Management Task Force

This Task Force was established to focus Council activities on environmental constraints to growth. Such factors as water supply and quality, soil and sediment erosion, and aesthetic considerations are involved.

Purpose. The purpose of the Natural Resources Management Task Force is to formulate and advance policies which will enforce patterns of economic development and natural resources development in Georgia that are consistent with long-run values of environmental quality and protection.

Objectives. Task Force objectives are:

- o To identify the state's existing economic development policies and programs, including unstated policies that are implicit in the program structure of functional agencies, and to evaluate those policies and programs in light of realistic economic conditions and trends.
- o To identify and review a selected number of issues of strategic importance to the future course of economic development in Georgia, and to make concrete policy recommendations to help resolve these issues.

Activities. Task Force activities include the following:

- o Identifying natural resources that have long-term value for both economic development and environmental quality.
- o Identifying and assessing the influence of the public sector's current efforts on the use and/or protection of the resources of long-term value.
- o Conceptualizing and recommending policies that will encourage patterns of economic development and natural resources development consistent with long-term values.
- o Identifying alternative implementation mechanisms and other actions necessary to carry out the policies.
- o Conducting joint meeting with the Policy Implementation Task Force to present and explain policies and alternative implementation actions for their analysis, review, and recommendations.

Methods of Approach. Task Force activities have incorporated the following methods of approach:

- o Drawing upon professional capabilities in the State University System, government agencies, and other research organizations to help identify, analyze, and find solutions to economic development problems in Georgia.
- o Identifying, encouraging, and promoting mechanisms to implement economic development policies in Georgia at the state and local levels and in the public and private sectors.
- o Reviewing, integrating, and communicating the viewpoint of the broad economic development community in Georgia on important economic development issues.
- o Serving as a public forum to listen to citizen input regarding economic development in Georgia, to exchange ideas, and to explore economic choices and alternatives for Georgia.

Policy Implementation Task Force

This Task Force was established to develop methods and implement Council's policy recommendations at the state and local levels and in both the public and private sectors. The purpose and activities of this Task Force are as follows:

Purpose. The purpose of the Policy Implementation Task Force is to identify, encourage, and propose mechanisms to implement economic development policies at the state and local levels and in the public and private sectors of Georgia.

Objectives. Objectives of the Task Force are:

- o To work with other task forces and the full Council on developing specific strategies to implement their policy recommendations.
- o To assist the other task forces and the full Council in identifying relevant resource persons and materials.
- o To assist the other task forces and the full Council in coordinating their activities with other organizations that deal with similar economic development issues.
- o To communicate the Council's purpose, objectives, and activities to appropriate persons, organizations, and the public-at-large.
- o To promote greater public awareness and understanding of economic development problems and opportunities.

- o Generally to recommend methods of implementing economic development policies.

Activities. Activities of the Task Force include the following:

- o Developing a public information strategy to publicize Council activities and economic development issues through such means as press releases, newspaper columns, appearances on radio and television talk shows, and periodic economic development newsletters.
- o Developing a "fact kit" on the Council for distribution to Council members, the media, and other interested persons and organizations.
- o Developing a handbook of specific procedures for implementing economic development policies through state legislation, executive action, private sector involvement, state and local coordination, public education and support, and other means.
- o Inventorying and developing profiles of economic development agencies and resources in Georgia.
- o Helping develop methods of funding ongoing Council activities and special Council projects.

Methods of Approach. Task Force activities have incorporated the following methods of approach:

- o Coordinating and drawing upon the expertise of other organizations in Georgia and elsewhere that are working on the same issues.
- o Gathering, organizing, and evaluating existing data and research.
- o Identifying questions that need further study and encouraging the necessary applied research.
- o Providing objective and critical overview of current plans, policies, and programs that deal with the issues.
- o Recommending concrete and practical policies.

Economic Research Task Force

The Economic Research Task Force was established to draw upon the professional capabilities of the University System of Georgia, governmental agencies, and other research agencies to help identify, analyze, and find solutions to economic development problems in Georgia.

Purpose and Objectives. The purpose and objectives of the Task Force are, first, to identify emerging situations apt to aid or to impede economic development in Georgia; second, to propose means for activating the discovered potentials or for limiting, overcoming, or even removing known obstacles; and, third, to assess the practicability of proposed actions in the current institutional environment.

Activities. Suggested activities of the Task Force included the following investigative actions:

- o Review of emerging aids and obstacles.
- o Selection of the aid or obstacle "most worthy" of analysis.
- o Analysis and assessment of the ranking factor by "expert opinion."
- o Presentation of the analyzed factor to the Council.
- o Incorporation of reactions and follow-up study of the factor.
- o A full report of the nature and significance of the ranking aid or obstacle.
- o Selection of a "best" action.
- o Analysis of the "best" action by "experts."
- o Presentation of the analyzed action to the Council.
- o Incorporation of reactions and follow-up study of the action.
- o A report of the aid or obstacle, the action suggested, and of a test for the latter's practicability.
- o Formalization and presentation of findings to the Council. Identification of a new aid or obstacle to economic development.

Methods of Approach. The methods of approach used by the Task Force involve the following:

- o To work with economic modelers and analysts in the University System to translate their research into a form that can be used by state decision makers as a basis for more rational policy decisions.
- o To serve as an economic "early warning system" to identify emerging economic issues and crises.

- o To encourage applied research in the University System and other research organizations on important economic issues facing the State.

Appendix C

INTERORGANIZATIONAL RELATIONS (IOR):
SUMMARY OF PRESENT STATUS OF KNOWLEDGE

Appendix C

INTERORGANIZATIONAL RELATIONS (IOR): SUMMARY OF PRESENT STATUS OF KNOWLEDGE

Ray H. MacNair
University of Georgia
November 1977

Introduction

The term, interorganizational relations, refers to interaction between formal organizations. Organizations relate to each other much as people relate to one another. They communicate thoughts, exchange resources, attempt to lead or control. People do the relating, of course, but they do it on behalf of their organizations. When that happens, they are constrained by the rules which govern organizational behavior rather than individual behavior. Formal organizations generally have a persistent, durable character. They change behavior slowly and infrequently, compared with individuals.

So it is with interaction among formal organizations. Such behavior has a persistent character and changes slowly. IOR change when conditions change which are pertinent to the survival and effectiveness of organizations, when the population of organizations changes, and when the goals of the wider community change.

As conditions change and norms of interaction appear to remain unchanged, relations among organizations become ambiguous. Efforts to clarify emerge, but they are not always successful as expectations are unclear, conflicting or confused.

Studies of IOR: Common Features

Under these circumstances, academicians have been asked to study IOR in order to unravel the mystery: 1) what is really happening, 2) why do IOR break down, and 3) when can desirable changes be expected to endure and remain effective? A fundamental barrier to IOR in most of these studies arises from the need for some form of imperative coordination within formal organizations. To be effective, organizations must be cohesive internally and maintain their own integrity. The drive for autonomy, then, is well recognized although it runs counter to the expectation of "togetherness" among organizations. Many find it difficult to expose their operations to outsiders, especially when conflicting

styles are evident or when competitors get too close. Strong boundary maintenance or "defense" becomes an accepted rule of the interorganizational field. Autonomy is the name of the game.

Another common feature of organizational studies is the recognition of interdependencies. Close, albeit careful, interaction becomes an accepted rule when it is a necessity, for example, when resources are needed for survival. Blatant dependency is well understood and exchange relationships are usually well established under such conditions. When goals are not clearly understood nor an organizational domain well established (Levine, 1961), interdependency may not be sufficiently recognized. This problem is evident when the interdependency concerns effectiveness of goal attainment as distinct from the organizational resource base. Public agencies or public-serving organizations are maintained with funds not tied directly to the product. Autonomy may be deemed preferable to the lure of high goal attainment, if it is accompanied by the exposure of close IOR. Under these conditions, demands by new members of the organizational population for new forms of exchange are readily resisted. Community pressures are likewise ignored unless wide acceptance of new goals and new techniques has been demonstrated.

Streams of Thought

As a field of study, IOR emerged in the 1960's as a result of the convergence of a number of streams of academic thought. In this tract, these origins are identified and assessed for their substantive conclusions. Gaps in knowledge are indicated. The purpose of this exercise is to explore the probable benefit to be realized in developing guidelines for intervention in interorganizational relations. The principles of "participatory exchange" are developed here in preliminary form.

Six academic streams of thought have contributed to the study of IOR. They are 1) human ecology/urban and regional planning, 2) studies of community power structure, 3) community social system analysis, 4) studies of coordination among human service agencies, 5) studies of social movement organizations, and 6) research on community and economic resource management. Each of these streams is characterized by greater or lesser attention to instrumental, expressive, and normative relations. The balance of the contribution which is attributable to theoretical analysis relative to empirical research is also indicated.

1. Human ecology/urban and regional planning

Human ecology and "city planning" grew in closely related fashion, the former an academic discipline and the latter a form of professional practice. Geography and architecture are also related. The sociologist, Louis Wirth, at Chicago initiated a stream of thought which was developed by Park, Burgess, Quinn and others in Chicago; and by McKenzie and Hawley at Michigan. The disciplines of human ecology and urban planning both characterize communities as populations of organizations.

Organizations are pertinent for their economic value, especially as they relate to patterns of land use and other locational phenomena. The standard of living of a human population or community is directly related to the productivity of the organizations in its midst and the rate of exchange between those organizations. In Hawley's major treatise, Human Ecology,¹ exchange relationships and combined forces (symbiosis and commensalism) are described as the two fundamental forms of interaction between organizations. Exchange relationships occur when productive gain requires organizations with quite different, but complementary functions to move their products from one stage of production or distribution to another. A high level of productivity in a society requires a high rate of exchange between specialized organizational units. (This principle is directly applicable to the issue of employment opportunity).

Combined forces arise when organizations with similar functions can optimize their advantage in exchange relationships by banding together. Hence, combined forces are not so likely to directly affect the standard of living of a community, but they do affect the distribution of wealth. Secondary effects on productivity also occur, but they are difficult to measure. (Labor unions, for example, may affect the productivity of workers, the investment margin of industries, and the distribution of employment opportunities.)

Styles of communication are shaped by these forms of IOR.² Combined forces develop differentiated or separate styles of language and thought; exchange relationships tend to produce uniformity in styles of communication. In general, higher levels of productivity and higher rates of exchange do increase the proportion of all communications which is based on common thoughts and linguistic styles. Combined forces become less and less capable of maintaining separate styles. To the extent that minority status cultures are maintained, they must be bi-cultural. (The implications for minority employment groups is obvious;

they must be culturally and behaviorally assimilated, in the context of their employment efforts.)

Control or leadership among organizations is another issue for human ecologists and urban planners. In a discussion of the "key function" in communities, Hawley describes the shape of influence among the productive units and all other related organizations.³ The "key function" is the industry type which controls the major resources which are brought into a community, the major employer, taxpayer, investor, and trader. The key function, then, shapes the environment to which all other economic activities must adapt. A community with only one major economic activity has a vertical shape. The options for all sub-major activities are limited; they must contend with the conditions set by the key function in order to survive. A community with diverse, strong secondary economic activities offers segmental options. In this case, IOR are relatively horizontal in shape. The conditions set by the key function predominate, but they are limited by those options. (In the latter type of community, a multi-agency approach to employment opportunity will make sense; some variety of styles will be viable. Multiple entry points will optimize the advantage to both employers and applicants.)

In this discussion, we can see an economic or instrumental determinism at work. Expressive and normative problems are not ignored but they are subordinated to the question of instrumental gain. With this conceptual base, most of the work of human ecologists and planners is empirical rather than theoretical. Quantitative measurement and prediction take precedence over theoretical explanation.

The difference between ecologists and planners is both practical and political. Planners are involved in governmental decision-making. While ecologists describe and predict, planners must design and propose, keeping an ear open to decision-makers and the electorate. Ecologists observe interorganizational relationships quantitatively; planners participate in them at the nexus of information and opinion gathering. (The involvement of city planners in the design of employment opportunity networks might be highly beneficial.⁴)

2. Studies of community power structure

Sociologists and political scientists, without reference to human ecology, have elaborated the theory of community control and influence through a host of

studies of community power structure. Warner, Hollingshead, Lynd, and finally Floyd Hunter developed the idea in sociology, focusing on the covert influence of corporate elites. Political scientists such as Polsby and Dahl shifted the focus to the overt influence of political officeholders. The focus of these studies is on leaders as persons, their institutional leverage, and organizations as vehicles for interpersonal decision-making. There are parallels, however, in human ecology. For "key function," we can substitute the term, "corporate elite;" for "vertical structure," the sociologists' notion of "monolithic power structure" is a direct replacement. "Horizontal structure" is parallel to the political scientist's "pluralistic power structure."

A major contribution of these studies arises from the observation that power and influence do not always work as they appear to work. Elected leaders may be puppets for major established business, especially industries. Civic planning committees may be public relations tools in the hands of an elite. Important decisions are not made in the places which are designated for public decisions. It may not even be possible for a person who is anxious to meet the decision-makers to find out who they are or where they hold their discussions.

On the other hand, power is expressed through persistence, energy, organizing effort, focused attention, and ability to commit resources. Seemingly minor decisions, which need not attract the attention of corporate elites, produce changes in community life which were not anticipated and ultimately weaken their hold on the community. The electorate does have a constraining effect on corporate elites and, on some major issues, it is possible for an organized electorate to overrule their elites. Ultimately, it is neatly demonstrated in sociopolitical studies⁵ that major decisions may be made only with the cooperation of a range or sequence of autonomous forces: the news media, political bodies, independent commissions, labor unions, the affected consumers, as well as business elites.

Norton Long characterizes the community as an "ecology of games." In this concept, a community gives rise to a multiplicity of autonomous and semi-autonomous decisions games. Each decision game has its own actors, influence, and a set of more or less well defined rules. A different set of organizations participates in each game. The consequences are multifarious and, because of the diversity, unpredictable. In effect, many decisions are never made because no power elite has enough influence to control countervailing forces.

The importance of these studies is to call attention to the carriers of covert, corporate influence in IOR, the requirement of broad support for complex programs, the specificity of forces involved in programmatic decisions, the need to watch out for economic interests, the importance of established norms of decision-making, and the opportunity presented by legal principles. Frustration and opportunity are present in each picture of community power structure, but in each one they take different forms.

The community power studies have been predominantly empirical. There are conceptual frameworks galore and some solid theory which has emerged. Their content is usually balanced in attention to styles of expression and unofficial norms while exploring thoroughly the instrumental underpinnings. (The implications for development of employment opportunity are complex; overt and covert constraints must be accounted for. The concept of "participatory exchange" needs to include a concern for the instrumental effects on existing corporations, the symbolic value to an electorate, and the protocol and rules of decision-making.)

3. Community social system analysis

Robert MacIver, Irwin Sanders, Roland Warren, and others have made a major contribution to the study of IOR by citing interaction among organizations as the stuff of community life. In analyzing communities according to the theory of social systems, they call attention to the external forces which affect the community as well as the external processes. The balance of interdependent functions *within* is challenged by changes which originate from the *outside*. If external forces run rampant, the internal system breaks down. Warren refers to two types of IOR in this context: horizontal and vertical.⁶ Horizontal IOR are internal relations, within the community. Vertical IOR are relations between a local organization and its parent body outside the community. Warren cites five functions which sustain the community in some balance: production-distribution, control, socialization, participation (sociability), and mutual support (health and welfare).

Some external occurrences will simply decimate the community by withdrawing the central source of livelihood (Cottrell, "Death by Dieselization"). Others alter the balance of power by reducing the authority of local managers and allowing labor unions greater freedom (Warner, "The Shoe Factory"). Still other

influences may promote local authority by legal mandate, create local confusion and disarray by issuing conflicting decrees, or bolster local participation and/or resources.

The question of the strength of the horizontal or internal IOR is raised by this discussion. Are local IOR strong enough to respond in a thoughtful and influential way which will determine the fate of local community life? Clearly, some communities undergo such rapid change that local IOR cannot respond. On the other hand, communities with a stable corporate elite will be more likely to manage the changes they choose and prevent those they do not choose. A diversity of strong occupations and a fairly high level of income and education predict IOR which will encourage and control local changes.

A related question brought up by the federal government's challenges to local communities in favor of greater benefits and opportunity for low-income people and minorities. In a study by Warren of IOR, some favorable changes in local IOR were documented between OEO programs, Model Cities, Urban Renewal, school administrations, health and welfare councils, and mental health agencies. Warren concludes, however, that the changes were benign and amounted to little more than the additional participation of newly funded programs. He attributes this finding to a tenet of social system analysis: local norms for IOR are well established and capable of defending their own character.

Social system analysis places great emphasis on theory, with minimal reference to empirical studies. It is disciplined by reference to case studies, but not, as we would wish, to quantitative measurement of local IOR across *types* of communities. Warren's study fails in this regard although nine communities are included. There is no comparison of types of communities.

In Warren's study, we have the first explicit reference to the language of *norms* in interorganizational relationships. If he had used social system analysis more thoroughly, styles of expression and the instrumental character of communities might have been comparatively analyzed. (The implications of Warren's study for IOR in employment opportunity are pessimistic. More pervasive, interlocking influences are needed to alter the character of action within a community than OEO or Model Cities offered. Organizational autonomy is a strong norm in most local IOR.)

4. Studies of coordination among human service agencies

The language of interorganizational relationships is most explicit in the context of human service network studies. Ambiguity of agency goals and the kinship of social workers with social scientists are probable explanations. Late in the nineteenth century, charity organizations merged forces to prevent duplication of services. As services proliferated early in this century, united funding agencies formed to reduce the reaction to overlapping domains. Social service exchanges formed to allow case materials to be communicated across agencies. In 1956, Bradley Buell published a study of the fragmentation and criss-crossing confusion for clients in multi-problem families.⁸ He then proposed a coordinated diagnostic and referral service in order to resolve the problem.

Walter B. Miller was the first to describe avoidance in IOR as an overt impediment to service.⁹ Organizational autonomy, conflicting perspectives on the client, and inertia in communications were the impediments. Levine and White analyzed exchanges in detail between a network of health agencies.¹⁰ They were the first to develop a theoretical approach to the subject. They identified status of the initiator, resource advantages, domain clarity, and service function as explanatory predictors of the role of an agency in an IOR network of referrals. Litwak and Hylton developed a more systematic framework in a study of Community Chest agencies.¹¹ Number of agencies, awareness of interdependency, and standardization of tasks are measured to predict specific forms of coordination.

Continuing the development of theoretical formulations and empirical research, Hage and Aiken related joint programs among health and welfare agencies to internal structure. Occupational complexity, innovativeness, a high rate of internal communication, decentralization, and lack of formality are associated with joint programs.¹² Later, in a larger set of similar organizations, Paulson argues that internal structure is only slightly predictive; systemic and ecological variables are needed for a fuller explanation.¹³ In another study of long-term health facilities, Morris concludes that prior informal friendship relationships among board members are crucial to inter-agency cooperation among such agencies.¹⁴ In other words, positive expressive relations are predictive.

A spate of recent studies indicates that umbrella coordinating organizations within which organizations retain much of their autonomy are conducive to the growth of detailed IOR among community service agencies.¹⁵ Federal intervention in promoting these combines is also expected to be influential. In recent years, half of the states have established umbrella agencies on the state level. These structures are influential, although the results are mixed. Perry Levinson concludes, for example, that integrated services must still be encouraged in the persuasive manner of international diplomacy, not through imperative coordination.¹⁶

The human service studies are empirical and practice-oriented, with an overlay of theoretical concepts. Instrumental, expressive, and normative variables are all considered and there is the introduction here of organizational characteristics as predictors of effective IOR. (A recent study showed that centralization in employment services is related to lower productivity. By extension, we would predict that agencies with less centralized supervision are also more amenable to strong IOR. Many other factors will enter in, however, such as the number of agencies, specified tasks, conflicts of ideologies between agencies, close personal ties, professional diversity *within* agencies, and federal intervention.)

5. Studies of social movement organizations

Mayer Zald discussed the characteristics of social movement organizations in a little noticed article in 1966. In a brief discussion of IOR among these organizations, Zald states two propositions.¹⁷ First, he related diversity *within* the organization to a likelihood for entering into mergers or joint programs. Homogeneity reduces interaction, just as it does in Hage and Aiken's study of health and welfare agencies. However, in contrast to Levine and White's proposition that status and approval predict high rates of exchange, Zald finds that high status and achievement produce a resistance to merger or joint programs.

This contradiction is explained by the special character of social movement organizations. These organizations exist to challenge their communities. They pursue change in the character of local targets. Their goals produce hostility. Their related social movement organizations, with the same general goals, face the same hostility. Relationships in this contest are not symbiotic or exchange relationships; they are "combined force" or kinship relationships.

In an explicit study of interorganizational kinship relations, MacNair explored this contradiction among the civil rights organizations of two communities in the 1950's and 1960's.¹⁸ It is noted that the separate identity of civil rights organizations is based not on separate goals but on style or character. These separate styles appear to arise as much from the cultural styles of members as any systematic argument over strategy. Under ordinary circumstances (e.g., Cleveland in the 1950's), high status is predictive of low interaction among kin organizations. However, in a period of emerging national excitement and popular militancy, a crescendo of activity places emergent organizations in the limelight. Temporarily, these crisis-oriented organizations enjoy high status and approval, and they engage with others in joint efforts at a high rate.

(The same effects might well be found among employment opportunity agencies in a time of national excitement about job programs. Obviously, the emergent or advocate agencies do not enjoy the crescendo effect at the time of this writing.)

Few empirical studies of IOR among kin social movement organizations are available. The theory of social change and organizational challenge is pertinent and instructive. It is apparent that the theory of "combined forces" is yet to be fully developed. For example, an analytic study of the experiences of the community union movement of the 1830's would be helpful by virtue of the failure of combined forces at the community level as opposed to the national level. Much of the attention to social movements is expressive in nature. There is a need for greater attention to the practical and instrumental effects.

6. Research on community and economic resource management

A wide range of studies have emerged in the past decade which focus on the practical issues of IOR among private businesses and public agencies. These studies can be grouped under the rubric of community resource management. Also, an emerging phenomenon which bridges the public and private sector is called the "third sector." Third sector organizations make public the business of private organizations or, conversely, they place public business in the hands of private organizations.

In a landmark study of development organizations in 16 rural counties in Iowa, David Rogers developed conceptions of social exchange in IOR,¹⁹ measured

sociometric relations among these organizations²⁰ (as the MacNair study did for social movement organizations), and provided data which document the conditions which are conducive to frequent interaction in IOR.²¹ Cohesiveness and centrality were found to revolve around distinct community functions: agriculture, social service, and the natural environment. Intensive interaction was found among high status, highly approved organizations (as was found in the case of health organizations by Levine and White). Standardized rules and procedures were predictive (as in Litwak and Hylton). Organizations with less local autonomy in funding and programming reported higher levels of IOR (consistent with Warren's analysis). Also, (like Zald and MacNair) Rogers found innovative organizations with broad service responsibilities to be more deeply involved in IOR.

On the negative side, Rogers argues it will always be difficult to promote interagency cooperation among low status organizations where unequal power is a factor in the relationship. It will be difficult, similarly, to encourage IOR across functional lines. (The implications of these observations for employment opportunity agencies is clear; relations with industries are unequal and cross-functional. However, a broad innovative approach could be developed through federal-state-local legislation. Special efforts are needed to standardize the employment "product" in relation to industrial needs. Rogers' data also suggest training for "system-centered" attitudes may be indicated, as opposed to parochial, "organization-centered" attitudes.)

Greif, et al., argue convincingly for a strategy of specific, instrumental interorganizational supplements or conduits for programs of small business development. Voluntary, coequal packaging and distribution, security arrangements, or cooperative marketing are examples of joint efforts they perceive as allowing autonomy and efficient to coexist in a framework of IOR. In a study of 15 small businesses, the authors document that some of the advantages of large-scale business are attainable.²² (An intriguing feature of this study is the combination of elements of *exchange* and kinship or *combined force*, which suggests our proposed framework of "participatory exchange." The usefulness of this approach in promoting employment opportunity and business development jointly is equally intriguing.)

It should be noted that Greif's strategy integrates the types of IOR described in human ecology as symbiotic relations and combined forces. This

mixture reflects a realistic and growing tendency to recognize that complementary interests and common interests need to be structured in multiple combines, allowing separation for symbiotic exchanges and merger for mutual participation for a common goal.

There is an ambiguity inherent in combining "exchange" and "participation" under one roof. This ambiguity is highlighted by McGill and Wooten in an analysis of "third sector" organizations.²³ Third sector organizations embody an activism which results when public and business organizations fail to solve community problems. In some cases, they start out as social movement organizations. They end up as publicly mandated private bureaucracies, e.g., Amtrack, Community Action Agencies, publicly funded day care program networks, TVA, NASA, labor unions, neighborhood governments. Their internal management is characterized by their origins in a persuasive moralism. However, the mixture of instrumental exchange and expressive participation produces managers whose style is broad and patient -- a mixture of private initiative and public accountability. The performance of public responsibilities in a private role places much emphasis on a subtle, reaching form of external relations. Indeed, many third sector organizations are transorganizational in scope as described by Greif. Managers in such institutions must behave as entrepreneurs, exploiting opportunity, and as public servants, awaiting their community mandate.

Probably the key to third sector management is the process of setting standards. Professionals must be given freedom to work their expertise. Autonomous subunits must be able to negotiate according to the conditions of their particular environments, as long as they fit into a framework of goals and standards. That overarching framework is the focus of transorganizational management leadership. In the case of integrated human service combines, Levinson concludes that "leadership techniques should resemble international diplomacy -- the attempt to reach a consensus, a preplanned framework for coordination" rather than a style based on imperative coordination."²⁴

Participatory Exchange

The principles of participatory exchange emerge in this discussion with a certain march of inevitability. If highly diverse types of organizations (public, private, and advocacy) can be joined by mutual consent to work efficiently, effectively, and economically on a publicly mandated goal, an interorganizational

strategy with broad proportions will be required. Specifically, these principles are enumerated:

1. broad goals are most effectively set at the level of participating governing boards in advance of procedural specifications;
2. the enunciation of national, regional, and state mandates reinforce the establishment of such agreements;
3. the participatory, mutual benefits and the exchange benefits are identified;
4. specific dyadic IOR are negotiated individually as "protocols"; formal agreements which identify responsibilities and procedures for initiating an exchange;²⁵
5. quantified objectives and reporting procedures are set through a participatory, nonthreatening deliberative process;
6. a neutral coordination office manages the procedural protocols, insuring the continuing exchange of resources;
7. a coalition board reviews the attainment of objectives and recommends new ones in accordance with overall goals and standards.

With this procedure, the gaps between natural clusters of organizations can be bridged. Inequality of status need not be a barrier to joint programming. Centers of corporate power as well as blocks of the electorate can both be included in the standard setting process. Politicos, professionals, and administrative types can maintain a requisite social distance from each other while negotiating protocols and performing their distinct roles.

Arrangements of IOR in a participatory exchange have the possibility of resolving numerous dilemmas posed by the changes in the community circumstances which surround norms for IOR. Participatory exchange arrangements are no panacea, but they do permit communication, efficiency, and autonomy to survive intact.

FOOTNOTES

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16. Perry Levinson, "A Management Strategy for Departments of Human Resources: The Indirect Line Authority/Decentralization Principle," Conference Papers of the American Society for Public Administration, 1975, p. 4.

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22. Edwin C. Greif, et al., "Interorganizational Cooperation: A Neglected Strategy for Small Business Development?" *The New England Journal of Business and Economics*, Vol. 3, No. 2, (Spring) 1977, pp. 31-38.
23. Michael E. McGill and Leland M. Wooten. "Management in the Third Sector," *Public Administration Review*, September-October 1975.
24. Perry Levinson, "A Management Strategy for Departments of Human Resources: The Indirect Line Authority/Decentralization Principle," Conference Papers of the American Society for Public Administration, 1975, p. 4.
25. I am indebted to James Winship for this idea and the term "protocol."

Appendix D
MEDIA/PUBLICATIONS

MEDIA/PUBLICATIONS

Office of Planning and Budget

- o Budget Volume I: Financial Display
- o Budget Volume II: Program Display
- o Budget Volume III: Capital Outlay
- o Supplemental Budget
- o Governor's Policy Statement
- o Special Reports of Governor-Appointed Commissions Staffed by OPB
- o Georgia Land Use Element

Department of Industry and Trade

- o Georgia Manufacturing Directory
- o Economic Development Profiles
- o Research Publications

Department of Community Affairs

- o Action '77 - Agency newsletter
- o Georgia Downtown Development Association - Newsletter for allied organizations

Georgia Department of Education

- o Georgia Public Education - State and Local Schools and Staff
- o ALERT
- o Annual Report
- o Yearly Statistical Series on Public Schools
- o ESEA, Title I Annual Report and Evaluation Report
- o Various Curriculum Guides for Public Schools
- o School Standards Booklet
- o State Plans for Special Education and Vocational Education
- o Georgia Textbook List

Georgia Municipal Association

- o Georgia Municipal Policy
- o GMA Plan for Action
- o URBAN GEORGIA Magazine

Georgia Municipal Association (Continued)

- o Municipal Digest - GMA Newsletter
- o Legal Briefs - Newsletter for City Attorneys
- o Georgia Municipal Yearbook
- o Various Research Publications

Association County Commissioners of Georgia

- o ACCG Yearbook
- o Georgia County Government Magazine

Engineering Experiment Station, Georgia Institute of Technology

- o EES Report - This quarterly publication contains brief articles on EES research projects
- o Productivity in Progress - Published quarterly. Contains information pertaining to productivity improvements in Georgia government and industry
- o Development Data
- o International Informer
- o Small Industry Development Network Newsletter

Directories and Reports

From time to time EES issues various special directories and reports, e.g.:

- o Directory of Associations in Georgia
- o Directory of Metalworking Job Shop Capabilities in Georgia
- o Directory of Scientific Resources in Georgia
- o Industrial Districts in Georgia: A Directory
- o Plastic Processors and Fabricators in Georgia and Surrounding Areas
- o Metal Service Centers in the Southeast

Institute of Community and Area Development, University of Georgia

- o ICAD Newsletter
- o Georgia Arts Newsletter
- o Occasional audiovisual, movie, and television productions
- o Occasional research reports and booklets

Georgia Chamber of Commerce

- o Employer-Employee Relations Newsletter
- o Georgiagram
- o Industrial Survey of Georgia
- o Georgia Directory of International Services
- o Legislative Bulletin
- o Georgia - An Educational Presentation
- o Unionitis
- o Directory of Georgia Governmental Officials
- o Know Your Members of Congress
- o Directory of Local Chambers of Commerce in Georgia

Georgia Business and Industry Association, Inc.

- o Georgia Intelligencer
- o Georgia Legislative Bulletin
- o Federal Legislative Bulletin
- o Industrial Relations Bulletin
- o Tax Bulletin
- o Employee Benefits Bulletin
- o Environmental Affairs Bulletin
- o Safety Bulletin
- o ACTION Bulletin

Georgia Agribusiness Council, Inc.

- o The Partnership

Georgia Chamber of Commerce Executives' Association

- o The Cracker Barrell

Staff Directors Advisory Task Force APDCs

- o Individual APDC Newsletters:
 - NG APDC INFO - North Georgia APDC, Dalton
 - PROFILE - Middle Georgia APDC, Macon
 - THE TRAIL - McIntosh Trail APDC, Griffin
 - MIDDLE FLINT REPORT - Middle Flint APDC, Ellaville
 - COASTAL PLAINSMAN, Coastal Plain APDC, Vladosta
 - INSIGHT - Oconee APDC, Milledgeville
 - COOSA VALLEY AREA Newsletter - Coosa Valley APDC, Rome

Staff Directors Advisory Task Force APDCs (Continued)

o Individual APDC Newsletters (Continued):

COASTAL CHART - Coastal Area APDC, Brunswick

SOUTHEAST GEORGIA REPORTS - Southeast Georgia APDC, Waycross

HEART OF GEORGIA - Heart of Georgia APDC, Eastman

NEGAPDC - Northeast Georgia APDC, Athens

SOWEGA - Southwest Georgia APDC, Camilla

B.A.C.

A 1968



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May 1, 1978

Dr. Pat Choate, Director
Office of Economic Research
Economic Development Administration
Room 618, U. S. Department of Commerce
Washington, D. C. 20230

Subject: EDA Grant No. OER-577-G-77-22/(99-7-13384.1), "Planning for the Interorganizational Networking of a State Economic Development Council" (Georgia Tech Project A-1968), Amendment Number One

Dear Dr. Choate:

In accordance with the provisions of the subject grant and the amendment thereto, a Supplementary Progress Report covering the work performed under the amendment is submitted herewith. This is to report that all work on the project has been completed and that the project was terminated on April 30, 1978.

Again we wish to thank you and the Economic Development Administration for supporting this important work. As a result of our work on the project, we are convinced that the networking approach permits diverse organizations and individuals to work together for the achievement of common goals without appreciable loss of organizational autonomy. Such networking appears to be the only sensible approach to interorganizational relations in a complex industrial society. We are looking forward to further work with EDA in advancing our mutual understanding of interorganizational relations.

Sincerely,

Robert E. Collier
Robert E. Collier
Project Director

REC:ae

Enclosure (5)

cc: Dr. Paul Braden
Mr. Charles E. Oxley
Mr. Rudolph L. Yobs
Mr. David S. Clifton
Ms. Doris I. Willmer
OCA (2)

SUPPLEMENTARY PROGRESS REPORT

Project No. OER-577-G-77-22 (99-7-13384.1)

April 30, 1978

Purpose

Amendment Number One to Grant OER-577-G-77-22 changed the expiration date of the basic grant to April 30, 1978, with supplemental funding of \$5,000, to continue data collection and analysis relative to enhancing the cooperative interaction of the Economic Development Council of Georgia members through improved interorganizational processes. The purpose of this report is to inform the Economic Development Administration of the work undertaken and the progress achieved during the extended grant period.

Work Program and Results

Work was undertaken in three areas to continue the momentum of the program initiated to assist the Economic Development Council of Georgia improve its networking procedures, and to provide EDA information relative to the application of organizational networking techniques in economic development processes and programs. The three areas of works include:

- o Basic Data Collection
- o Rationale for Networking of Federal Programs
- o Internal Analysis of Interorganizational Communications

Basic Data Collection. An initial phase of the research project involved a survey of interorganizational relations literature and the development of a summary of the present state of knowledge. Appendix C to the Final Report summarized the current state of knowledge and identified some 24 citations relating to research conducted in interorganizational relations. At the time the Final Report was prepared, it was believed that further investigation would show that the body of knowledge is much greater than initially thought to be in existence. Subsequently, over 200 additional references relating to interorganizational theory and relations have been identified. These references range from articles in professional journals to hard-back books.

For the most part, existing reference materials is concerned with investigation in the area of social programs. For example, a great deal of research relating to interorganizational relations has been conducted in the area of health delivery services. The successful delivery of health services requires the cooperation of a number of autonomous agencies. Thus, investigations have tended to focus on such social programs.

Within the last decade, an increasing number of autonomous organizations have become involved in the economic development process. For this reason it, can be expected that investigations and research will focus in this area as it previously focused in the area of delivery of health programs.

Rationale for Networking of Federal Programs. The Final Report recommended that:

Individual development programs sponsored by the Economic Development Administration require that a method of approach or work program for each project include a provision that will insure that interorganizational relations are given due consideration in both project development and implementation.

To further develop the concept upon which this recommendation was based. A Rationale for "Interorganizational Networking of Programs Supported by the Federal Government" was formulated. This rationale is attached to this report as Appendix A. This rationale is being incorporated in proposals to EDA for test of the thesis contained in the rationale.

Internal Analysis of Interorganizational Communications. The Final Report further recommended that:

Council member organizations, on an individual basis, review their interorganizational processes and activities. Based on the findings of such reviews and on the data and information contained in the Final Report, that each organizational project, activity or program that requires cooperative interaction with other member organizations be provided a plan for interorganizational relations development and implementation.

Because effective communication between and among council members is essential to the functioning of the council, it is believed that organizational administrators and subordinate managers should review their communication patterns from time-to-time. Certainly such patterns must be reviewed if plans for organizational net-working programs are to be developed and implemented. To assist organizations

conduct self-evaluations of their communication patterns with other member organizations a tentative methodology was developed and is appended to this report as Appendix B. It is planned to test this methodology with two governmental members of the council in the near future.

Further Investigation and Development

The Final Report sets forth a series of recommendations for continued investigation and development in the field of interorganizational relations. The project director of the work funded under EDA Grant No. OER-577-G-77-22 is convinced that economic development processes and programs cannot be effectively and efficiently accomplished unless program planners and organizational administrators and managers are available to maintain cooperative interaction among organizations involved in the process of economic development.

By separate correspondence, a work program for further investigation is being proposed to the Economic Development Administration. Support of the Economic Development Council of Georgia in the area of education and training has been provided through Title I funds of the Higher Education Act of 1956 (continuing education).

Appendix A

INTERORGANIZATIONAL NETWORKING OF PROGRAMS SUPPORTED BY THE FEDERAL GOVERNMENT

Rationale

Purpose

Much of what gets done in life is accomplished through formal and informal arrangements that exploit sets of connections among individuals, organizations and agencies. In effect, ideas and actions circulate within and among these networks of people and organizations. Most networks involving people as individuals seem to develop by accident. Although networking among organizations is supposed to result from instructions given to managers "to coordinate", it seems that plans for coordination are seldom "engineered" or executed in any systematic fashion.

Whenever possible, projects and programs funded by the Federal Government should be required to develop the networking process as part of their operation. The purpose of this Rationale is to outline assumptions and preconditions to be applied to the networking of individual projects and programs and to describe certain applicable methodologies.

Objective

In applying interorganizational networking processes to programs supported by the Federal Government, the objective is to provide a mechanism through which diverse organizations (government, private, and advocacy) can be joined by mutual consent to work efficiently, effectively, and economically on publicly mandated goals. Such a mechanism offers the possibility of an approach that can bridge gaps between organizations and permit communication, efficiency, and autonomy to survive intact.

Assumptions

The interorganizational networking concept encompasses the idea of citizen participation but extends the boundaries of such a philosophy because society has become so complex that the "town hall meeting", while necessary, is insufficient to furnish individual and organizational inputs into the social process on a continuing basis. The rationale presented herein is predicated on a series of assumptions as follows.

It is assumed:

- o That society in the industrialized nations increasingly has become an organized one through which its goals are agreed upon and accomplished through the cooperative interaction of organizations.
- o That people are aligning themselves with organizations, and that collectively, they are becoming aware of their organizational destinies, as well as the relaxing grip of an industrial, market-oriented economic system.
- o That the major organizational sectors in America today are
 - The private market sector
 - The government sector
 - The public or third (advocacy) sector
- o That the organizational characteristics of the three major sectors differ with respect to
 - The nature of goals
 - The goal setting process
 - The goal achievement process
 - The type of organizational rationality
- o That administrators in the governmental and public sectors and managers in the private market sectors are a product of an educational system in which the formal organization is the focal point of management education and training.
- o That many managers and administrators are not prepared to function effectively in the area of an interorganizational system.
- o That the quality of interorganizational relationships affects the productivity of each participating organization.
- o That there are existing informal rules which govern interorganizational relationships, permitting some cooperation but inhibiting managers who are deemed to be excessive in their desire for cooperation.

Process Characteristics

Interorganizational networking applications should be related to the process characteristics of the project or program under consideration. Generally, there are at least two levels in the processes involved in project and program accomplishment: policy and implementation. The planning, programming and budgeting by key actors at both levels are the institutionalizing linkages in the process. There are a number of process characteristics some of which may assume various forms depending on administrative structures, political environment, and informal relationships among participating organizations. Some of the process characteristics are:

- o Functional Objectives
- o Structural Location
- o Composition of Participants
- o Formal/Informal Linkages
- o Resources Availability
- o Institutional Effectiveness

Approaches to Organizational Interaction

The approach to cooperative interaction among organizations must be one involving participatory exchange which will encompass consensus building and interdependencies of private and governmental interactions, as well as the stimulus of confrontation offered by advocate organizations. Middle managers in larger organizations and administrators of smaller ones should be singled out for participation inasmuch as they appear to be those having the greater problems with interorganizational coordination. To this end, changes in both individuals and organizational groups should be sought so that

- o there will be an increase of understanding of interorganizational relations and the level of trust and support of inter-organizational system functioning;
- o there will be an increase in the incidence of confrontation and interorganizational problem solving among organizations in contrast to "sweeping problems under the rug";
- o there will be an increase in openness of communication laterally, vertically, and diagonally; and
- o there will be an increase in the level of personal enthusiasm and personal satisfaction to those involved in interorganizational systems operations.

Networking as a Characteristic of Programs Supported by the Federal Government

In applying the networking approach to programs supported by the Federal Government there are several preconditions that have to be imposed. First, the setting for the networking exchange must be on neutral ground in a nonthreatening environment. Second, the environment must be a total one in which there is flexibility of network membership and exchange of resources. Finally, networking must be accomplished through voluntary action on the part of member organizations operating in an "open" system.

There appear to be a number of procedural steps that can be taken to narrow or bridge the gaps between natural clusters of organizations. Some of these steps or strategies are as follow:

- o Mechanisms for identifying and cataloging actual and potential networking members and their resources must be made available.
- o Broad goals must be set at the level of participating governing boards of network membership in advance of procedural specifications.
- o National, regional, state and, local mandates should be enunciated to reinforce the establishment of such agreements.
- o There should be a mapping or charting of networking activities.
- o Participatory, mutual benefits, and the exchange benefits should be identified and resource exchange mechanisms developed.
- o Network membership recruitment and membership maintenance mechanisms need to be developed and implemented which provide for membership flexibility and flexibility of roles within an open system.
- o Formal agreements or "protocols" must be developed among network members which identify responsibilities and procedures for initiating exchanges among members.
- o Objectives and reporting procedures must be set through participatory, nonthreatening, deliberative processes.
- o There should be established a neutral coordination office to manage procedural protocols and to insure the continuing exchange of resources.
- o There should be a coalition board to review the attainment of objectives and to recommend new ones in accordance with overall goals and standards.

Summary

Organizations relate to each other much as people relate to one another. They communicate thoughts, exchange resources, attempt to lead or control. People do the relating, of course, but they do it on behalf of their organizations. When that happens, they are constrained by the rules that govern organizational behavior rather than individual behavior. Formal organizations generally have a persistent, durable character. They change behavior slowly and infrequently, compared with individuals.

Neither intergovernmental relation processes instituted by the Federal Government nor conventional citizen participation approaches attempted in

past programs appear to provide for the necessary interorganizational relationships demanded in the planning for and execution of comprehensive federally supported programs. Rather, it appears that there is a need for a participatory exchange mechanism through which highly diverse types of organizations (government, private, and advocacy) can be joined by mutual consent to work efficiently, effectively, and economically on publicly mandated goals without appreciable loss of organizational autonomy. The idea of a networking exchange outlined in this rationale emerges with a certain march of inevitability.

Note: This Rationale is based upon research conducted by Ray McNair, Ph.D., School of Social Work, University of Georgia, as a part of the EDA supported project, Grant No. OER-577-G-77-22, "Planning for the Interorganizational Networking of a State Economic Development Council," Robert E. Collier, Georgia Institute of Technology, Project Director.



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M E M O R A N D U M

FOR:

FROM: Bob Collier, Project Director, EDA Project, "Planning for the Interorganizational Networking of a State Economic Development Council"

SUBJECT: Internal Analysis of Interorganizational Communications

In the final report of the EDA project relative to the Economic Development Council of Georgia, it was noted that administrators agreed on the level of intensity of communication on 38 of the possible 105 two-way channels of communications between reporting organizations. There was agreement among administrators on the infrequent or nonuse of some 13 other two-way channels. However, administrators had differing perceptions concerning the level of intensity of communications among organizations on the other 54 two-way channels.

It was recognized at the time that the data concerning the 54 channels was insufficient to provide a clear understanding of the situation. It was also believed that each member organization was best able to judge the level of its communication with other organizations although difference in perceptions of the communication situation would probable continue to exist between administrators.

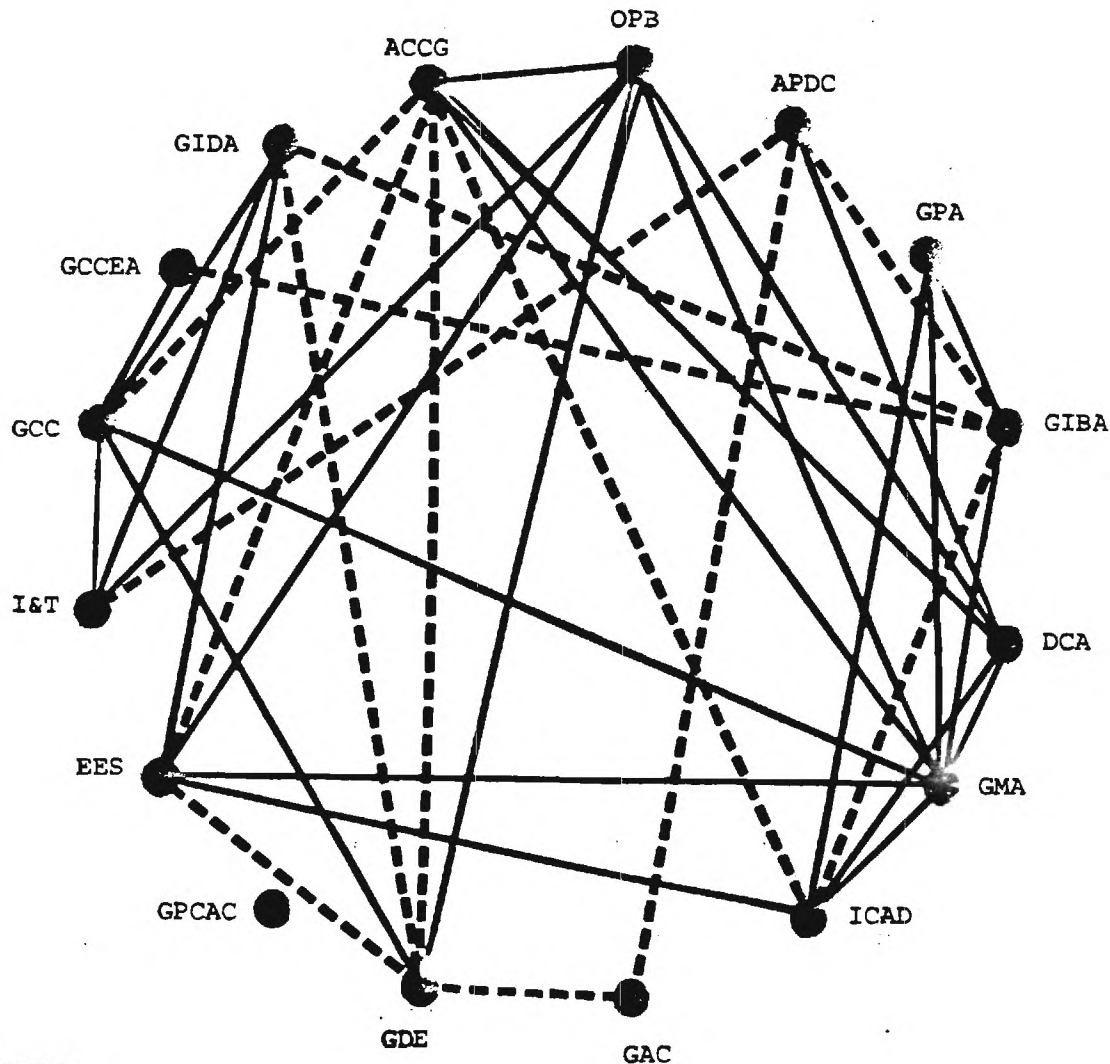
Because effective communications between and among council members is essential to the functioning of the Council it is believed that administrators and subordinate managers of these organizations should review their communication patterns from time-to-time. It is recognized that such reviews will probably be quite subjective, and to be effective must deal with sensitive matters. It is felt that such reviews should be conducted inhouse with detailed review results used only by the organizations conducting the review.

The attachments are furnished for your use should you desire to make such a review. Attachment 1 illustrates agreement of member organizations on joint use of communications channels. Attachment 2 illustrates agreement among member organizations on communications channels used infrequently or not used at all. Data upon which these illustrations were based were incomplete.

Also communication patterns are subject to frequent change. Attachment 3 illustrates communication patterns provided by your organization during the course of the survey. Attachment 4 is a suggested methodology for reevaluating communication patterns of your organization with respect to other EDC members.

The methodology proposed suggests that second level unit managers review their unit's communication patterns with EDC organizations. It is further suggested that the findings of the several units be brought together and studied with respect to the organizations relationships with other EDC organizations in the matter of communication. Such findings can be portrayed on Attachment 5.

AGREEMENT OF MEMBER ORGANIZATIONS ON JOINT USE
OF COMMUNICATION CHANNELS



LEGEND

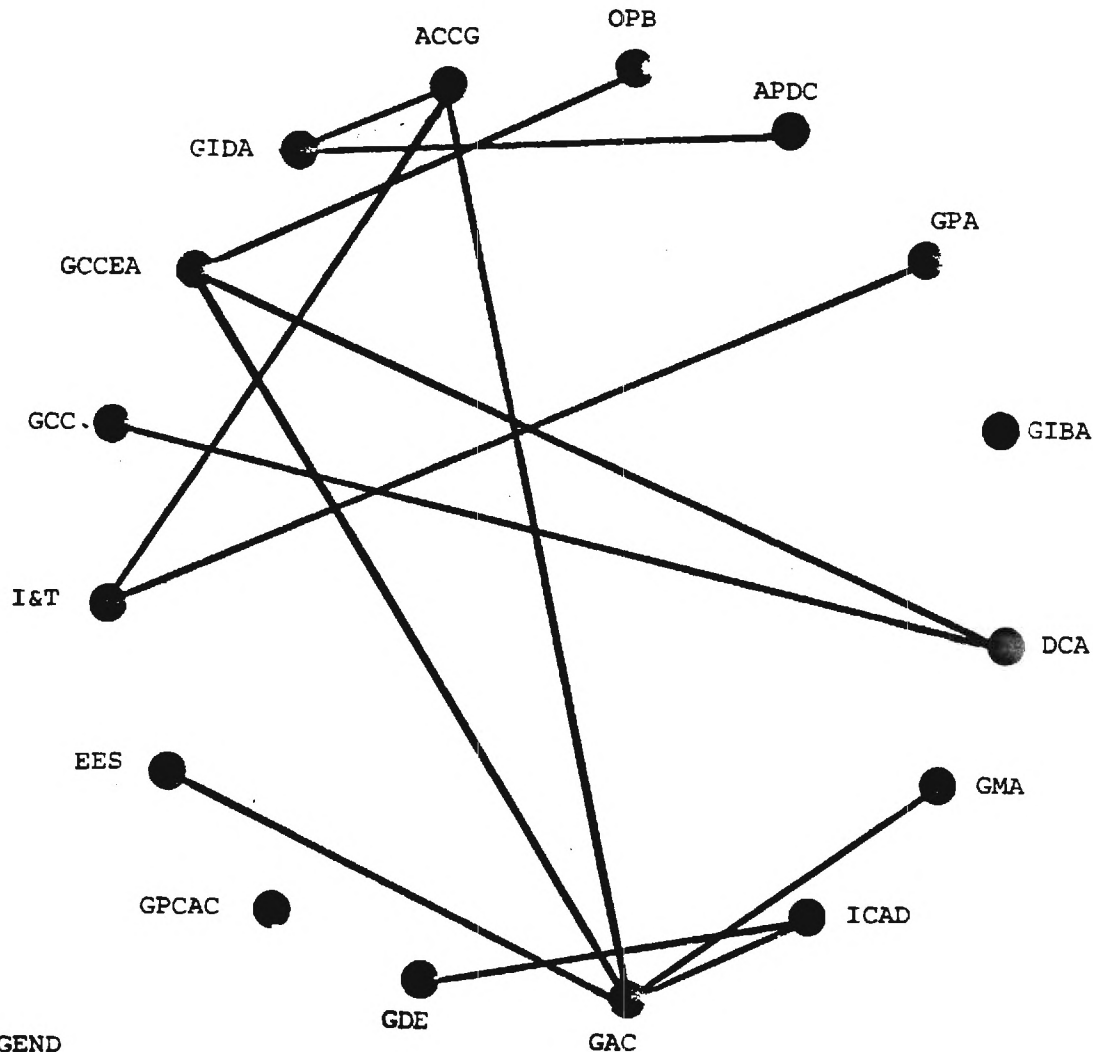
- Routine Communication
- Nonroutine Communication

ORGANIZATION ABBREVIATIONS

OPB - Office of Planning and Budget
 I&T - Department of Industry and Trade
 DCA - Department of Community Affairs
 GDE - Georgia Department of Education
 GMA - Georgia Municipal Association
 ACCG - Association County Commissioners of Georgia
 EES - Engineering Experiment Station, Georgia Institute of Technology
 ICAD - Institute of Community and Area Development, University of Georgia

GCC - Georgia Chamber of Commerce
 GBIA - Georgia Business & Industry Association, Inc.
 GAC - Georgia Agribusiness Council, Inc.
 APDC - Staff Directors Advisory Task Force, State Advisory Committee on Area Planning and Development
 GPA - Georgia Planning Association, Inc.
 GCCEA - Georgia Chamber of Commerce Executives' Association
 GIDA - Georgia Industrial Developer's Association
 GPCAC - Georgia Productivity Center Advisory Committee

**AGREEMENT AMONG MEMBER ORGANIZATIONS ON COMMUNICATION CHANNELS
USED INFREQUENTLY OR NOT USED AT ALL**

**LEGEND**

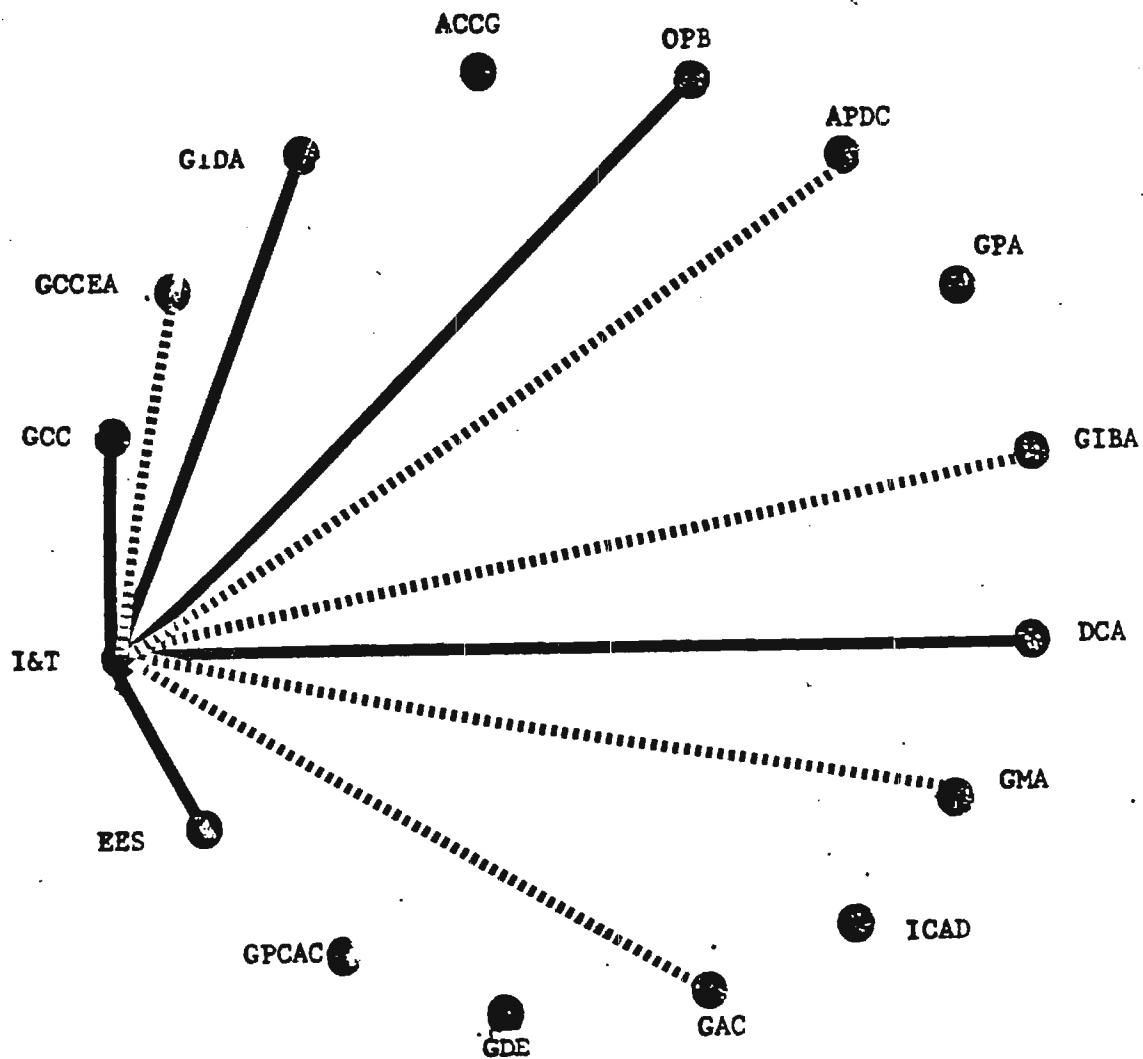
—— Routine Communication

- - - Nonroutine Communication

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I&T - DEPARTMENT OF INDUSTRY AND TRADE

LEGEND

- Routine Communication
-** Nonroutine Communication

INTERNAL ANALYSIS OF INTERORGANIZATIONAL COMMUNICATIONS

Unit Questionnaire

Reporting Unit _____

Interaction with _____
(EDC Member Organization)

-
1. How often are contacts made between your unit and the EDC member organization listed above in economic development related matters?

On routine basis (at least once per month) _____

Nonroutine basis (periodically but not once per month) _____

Seldom if ever _____

2. How are most contacts made?

Letter or memo _____

Person to person _____

3. What are the reasons for most contacts?

To pass information _____

Coordinate, plan _____

4. What are the basis of most contacts with the organization?

Required by Law _____

Formal agreement between agencies _____

Needed to carry out programs _____

5. Are appropriate personnel of the EDC organization generally available when members of your unit need them?

Always _____

Frequently _____

Seldom _____

Never _____

6. How important are the contacts with the EDC organization to work in your own unit?

Very important _____

Important _____

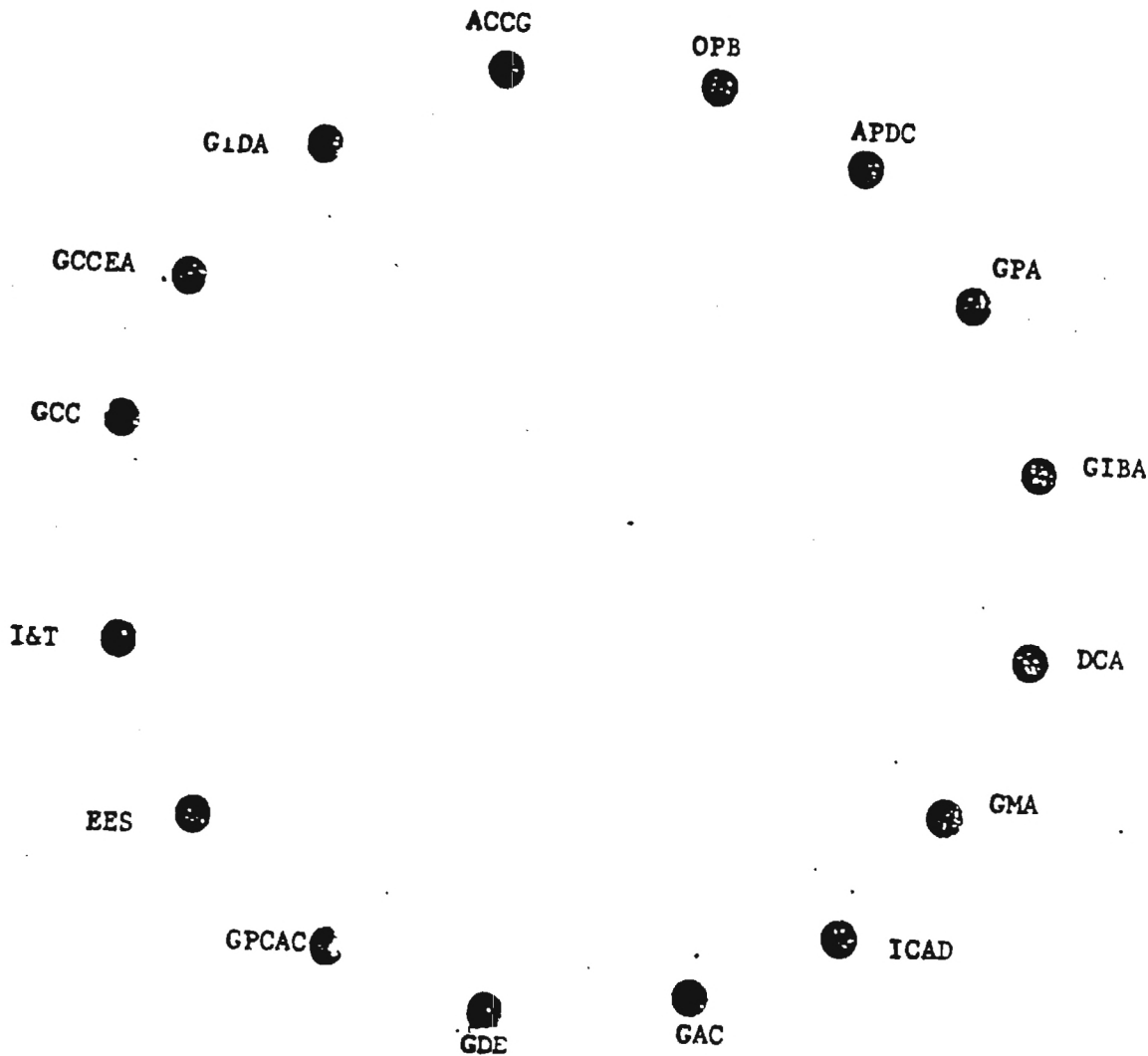
Not at all important _____

7. How well are the activities of your unit and the EDC organizations coordinated?
- All very well _____
- Satisfactory _____
- All very poorly _____
8. To what extent do disagreements or disputes characterize relations between your unit and of the EDC organization?
- To a great extent _____
- Some _____
- Never _____
9. How well are any differences between your unit and the EDC organization worked out?
- Very well _____
- Satisfactorily _____
- Very poorly _____
10. In what ways are these differences between your unit and the EDC organization handled?
- Discussion by individuals _____
- By formally established committees _____
- Other (list) _____
11. How compatible is your organization's operating philosophy with that of the EDC organization?
- Very compatible _____
- Satisfactory _____
- Not compatible _____
12. How well does the EDC organization perform its tasks in regard to problems your unit is faced with?
- Very well _____
- Satisfactorily _____
- Very poorly _____
13. How would you characterize the quality of communication between your unit and of the EDC organization?
- Very good communication _____
- Satisfactory communication _____
- Very poor communication _____

14. If we define power as the extent one organization affects another organization, how would you characterize the power relationship between your unit and of the EDC organization in regard to economic development?

My organization is much more powerful _____

My organization is much less powerful _____



LEGEND

———— Routine Communication
 Nonroutine Communication

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